



King County
Metropolitan King County Council

Response to
Motion 12734

Date: May 12, 2008
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STAFF REPORT

SUBJECT: A discussion of local public campaign financing.

SUMMARY:

The council adopted Motion 12734 on April 14, 2008, which expressed the council's intent to research and study the subject of a public campaign financing system for King County. This report is in response to that motion.

For the purposes of this report, research focused upon the states of Maine and Arizona and upon the three cities of Portland, Albuquerque, and San Francisco. Additionally, past models used by both the City of Seattle and King County were researched. The study focused on specific public campaign financing (PCF) requirements and amounts for qualifying funds and expenditure limits.

Analysis shows that models and costs vary widely depending upon the way each jurisdiction implements PCF. Total costs for implementation ranged from \$1.2 million to \$7.2 million for models of public financing campaigns for County Executive and County Councilmember. These costs can vary widely depending on how a system is implemented and at what level expenditures are capped for various political races. Additional costs are also necessary to develop and implement the various models – including costs for voter education, administration, oversight, reporting, transparency, and enforcement.

This analysis has examined only the costs associated with a top two candidate scenario. Costs could be higher if more candidates participate in the program and implementation and oversight costs are considered. Consequently, should the Council decide to implement a public campaign financing program, it may be possible to “phase-in” a program by only including certain offices in the beginning and building upon that program over time.

If the Council chooses to move forward with a PCF system, there are several steps that would be taken next. First, decisions would need to be made on:

- 1) which county offices would be eligible for public financing,
- 2) whether the County or an independent commission would oversee expenditure of funds, and

3) the funding methodology to be used.

These decisions would likely need to be made prior to putting a ballot measure before the electorate.

BACKGROUND:

Public Campaign Financing (PCF) uses public tax dollars to finance campaigns for office. These programs are often referred to as “voter-owned” or “clean” campaigns for elected positions. PCF models provide candidates a choice to participate within the financing system established by the jurisdiction or to finance campaigns independently using traditional fund-raising methods.

Proponents of the public campaign financing movement are interested in providing the ability for all citizens to run for public office. There are certain underlying assumptions that support the concept:

1. PCF allows for “grass roots” participation in government,
2. PCF allows incumbents to consider legislation on the merits without undue influence by special interest groups,
3. Without PCF, special interest money primarily flows to incumbents making it difficult for challengers to unseat incumbents,
4. Fundraising takes significant time and comes at the expense of meeting with voters, and
5. Fundraising demands can potentially prohibit candidates from running for office.

Opponents of moving to a PCF model do not believe that the government should be publicly funding races for public office. These concerns can be categorized in several ways.

1. Local government resources should be used for the provision of local government services.
2. Fundraising is a very clear way to determine widespread support for an individual’s candidacy for office.
3. Publicly funded campaigns infringe upon an individual’s first amendment right to express free speech through spending one’s own resources on a campaign.
4. PCF systems coerce candidates to participate in the PCF system, and penalize those that do not participate.
5. In times of local government fiscal restraint, PCF systems would add additional demands on limited local government resources.

History in Washington State:

Seattle became the first local jurisdiction to adopt public campaign financing in 1978. The City of Seattle passed Ordinance 107772, **Attachment 1**, which limited contributions and expenditures for municipal election campaigns. King

County also adopted public campaign financing in 1989 by adopting Ordinance 8970, **Attachment 2**. Both the King County and City of Seattle systems provided for the availability of public matching funds for political campaigns.

In 1992, Washington voters passed Initiative 134, **Attachment 3**, which regulates political contributions and campaign expenditures. I-134 specifically prohibited the use of public funds to finance political campaigns for state or local offices. Additionally, the initiative created contribution limits and strengthened campaign finance disclosure requirements. Passage of I-134 resulted in immediate termination of Seattle's and King County's public financing program.

Recent Changes (SB 5278):

Public campaign financing of local races was once again made possible by a change in state law during the past legislative session, which removed a longstanding prohibition on the use of public funds in local campaigns. The Washington State Legislature passed Senate Bill 5278 that states that before a local government may adopt public financing, a proposed ordinance detailing the system must be submitted to the voters for approval or rejection. If a local government establishes a public campaign financing program, only funds derived from local sources may be used to fund the program. This bill will be reflected in RCW 42.17.128, **Attachment 4**.

City of Seattle Response: The Seattle City Council and Mayor Greg Nickels announced a plan on March 17, 2008 to appoint a joint task force to begin work as soon as possible on developing proposals for public financing of campaigns. The Seattle City Council is currently considering Resolution Number 31052 that would establish such a task force to develop a proposed model to publicly finance local campaigns. They will review:

- Rationale and purpose of publicly financing election campaigns
- Models from other jurisdictions
- Effectiveness of programs
- Seattle's previous model
- Contribution data from previous Seattle elections
- Criteria for candidates to qualify to run for office
- Potential program and administrative costs
- Timeline for implementation

Seven members are proposed to be selected for this advisory committee.

Proposed members include

- Michele Radosevich, chair of the Seattle Ethics and Elections Commission
- *To be named*, former elected official
- Allison Feher, representative of the Seattle League of Women Voters
- *To be named*, representative of the Seattle-King County Municipal League
- Craig Salins, Member of the Washington Public Campaigns organization
- Robert (Bob) L. Mahon, Person with legal expertise in elections law

- Joaquin G. Avila, person with an academic background in campaigns and elections financing

King County Council Response:

Motion 12734 adopted by the council on April 14, 2008, expresses the council's intent to research and study the subject of a public campaign financing system for King County. The motion, **Attachment 5**, directed that research include:

1. Review of existing local law;
2. Review of trends in campaigns costs
3. Options for updating local law
4. Review of other jurisdictions' experiences
5. Review of local (Seattle and King County) public financing prior to I-134
6. Estimates of the costs
7. Options for funding those costs.

It should be noted that Proposed Ordinance 2008-0147, **Attachment 6**, has also been introduced for consideration by the Council. This proposal would place the question of public campaign matching funds before King County voters on November 4, 2008. This proposal would allow voters to decide whether the county should move forward with public matching funds to finance campaigns for election. As proposed, this ordinance would approve financing for the offices of executive, prosecutor, sheriff, county council, district court judges, and superior court judges. (Although this legislation mentions the assessor, the operative section discussing eligibility was omitted.)

ANALYSIS:

Local government public finance programs share many of the same general features: contribution limits, spending limits, qualification thresholds for public money, high spending opponent trigger provisions, limits on a candidate's use of personal funds, and debate requirements. Wide variation exists, however, in specific program details such as the dollar amount of limits and qualification thresholds, the public funds matching rate, and the total amount of public funds available to candidates. The following is a general discussion of the process. Specific model differences will be discussed later in this report.

The basic premise for public campaign financing is that a qualified candidate¹ would become eligible for public funds only after reaching a pre-determined "critical mass" of support to demonstrate credibility. Consequently, there are several steps in the process.

First, most candidates begin with "seed money" to begin to collect qualification contributions. Seed money is defined as amounts that may be raised by a candidate – often from family and friends – to begin the process to qualify for

¹ Any candidate participating in PCF must meet the qualifications of the office for which he/she is running as established by the jurisdiction.

public dollars. Jurisdictions usually establish an upper limit on the total amount that can be raised.

Second, a candidate will then begin to gather qualifying contributions from registered voters. These contributions are intended to show that the candidate is viable for election through a base of registered voters. As an example, a candidate may be required to obtain \$5 contributions from 500 registered voters (equaling \$2,500) to qualify for public funding. These contributions are intended to show the candidates commitment to running a competitive campaign.

These contributions must then be verified by the jurisdiction – usually by the jurisdictions’ clerk, auditor, or elections personnel. Similar to seed money, the amount required to qualify has a set upper limit and is usually mandated by the jurisdiction.

All PCF candidates are required to sign a contract between the candidate and the jurisdiction to qualify for public funding. Some jurisdictions require this when a candidate declares his intention to run, while others require the contract to be signed when the qualifying amount is reached. This agreement shows that the candidate will abide by the local government’s campaign finance regulations. These agreements for public funding typically set a limit or “cap” to the total amount per office that will be provided by the jurisdiction. As an example, a jurisdiction may limit the amount of public financing dollars to no more than the annual salary of the position for which a candidate is running.

Additionally, these agreements establish an expenditure ceiling for the amount that can be spent. For instance, a candidate’s contract could state that the candidate will spend no more than a set amount. It should be noted that not all candidates running for office will opt to use public tax dollars for their campaign. In most of the PCF systems reviewed, if a situation arises where a non-participating candidate raises (or expends) more than the participating candidate, “rescue” funds are made available to even out expenditures. This criterion also often applies when studying “independent expenditures” or those funds spent by third parties either for a candidate or against the opponent. Most of the models reviewed factored these expenditures into the calculation of expenditures by each campaign.

Types of Funding Models

Seven states (Arizona, Connecticut, Maine, Massachusetts, New Mexico, New Jersey, North Carolina, and Vermont) and the cities of Albuquerque, Portland, and San Francisco have established public financing programs. For the purposes of this report, research was concentrated on the states of Maine and Arizona and the cities of Portland, Albuquerque, and San Francisco. Additionally, past models used by both the City of Seattle and King County were studied. This research is centered upon specific PCF requirements and amounts for qualifying funds and expenditure limits that vary widely depending on the

jurisdiction. The two major types of PCF models are discussed next, followed by a discussion of the recent spending trends in King County elections and a more detailed discussion and cost analysis of the various PCF models in use nationwide.

Matching Fund Model

In these models, candidates who meet the eligibility requirements will receive public matching funds. While the models vary, in general, candidates solicit private donations, much as they do now. After the candidate has received a donation, the jurisdictions would match that amount. Typically this amount is matched at a dollar-for-dollar ratio; however, San Francisco's model is somewhat different. This model will be discussed later in the report. Also, PCF systems that use matching funds do not necessarily change the contributions limits, but most models cap the amount matched by the local jurisdiction. This amount is typically \$50, but can go as high as \$75 in the models reviewed.

In most of these models the public is effectively funding approximately one half the costs of the election expenditures. Candidates who participate in the public campaign program may be eligible to receive public matching funds even if their opposition does not participate in the program. King County and Seattle have both used a form of a matching funds PCF system in the past.

Lump Sum Model

Under this model, the local government makes a lump-sum payment to candidates who meet various criteria establishing their viability as a candidate for the office in question. A typical version of this model would require a candidate to gather a pre-set number of \$5 contributions. These are known as "qualifying contributions". Once this requirement is met, the local government would pay the candidate a predetermined payment equal to the spending limit for the race (or the primary election, depending on the jurisdiction). Under this system, a candidate's personal contributions are typically prohibited or limited to an "early" or exploratory period, and private donations are prohibited (except for the \$5 qualifying contributions).

Both lump-sum and matching funds models can contain "rescue" clauses whereby candidates who choose not to participate in the public financing program, and spend campaign funds over the established campaign spending limit are "penalized". The penalty in these models is that participating candidates receive extra payments of public campaign funds. In many models, this excess amount is unlimited because it is tied to the spending of the other candidates in the race. In others, the total amount of excess funds is capped ahead of time, or is tied to the availability of funds in the PCF system.

King County Election Trends

This analysis researched King County elections between the years of 2000 to 2007. This provided at least two elections for all county-wide elections. All

financial data was obtained from the Washington State Public Disclosure Commission (PDC). The timeframe was chosen because all elections data starting in 2000 is available on the PDC's website. Within the timeframe allowed for this study, it seemed prudent to take the data set most readily available. The following positions and number of elections were included in the study:

County-wide Races

- King County Executive (2 elections)
- King County Sheriff (2 elections)
- King County Prosecuting Attorney (3 elections)
- King County Assessor (2 elections)
- Superior Court Judge (2 full election cycles)

District Races

- King County Councilmember (4 election cycles)
- District Court Judge (4 election years, 2 full election cycles)

In general, it is clear that the amount of money being spent in King County electoral campaigns is increasing. This section will concentrate on the races listed above by both election cycle and the number of contested races.

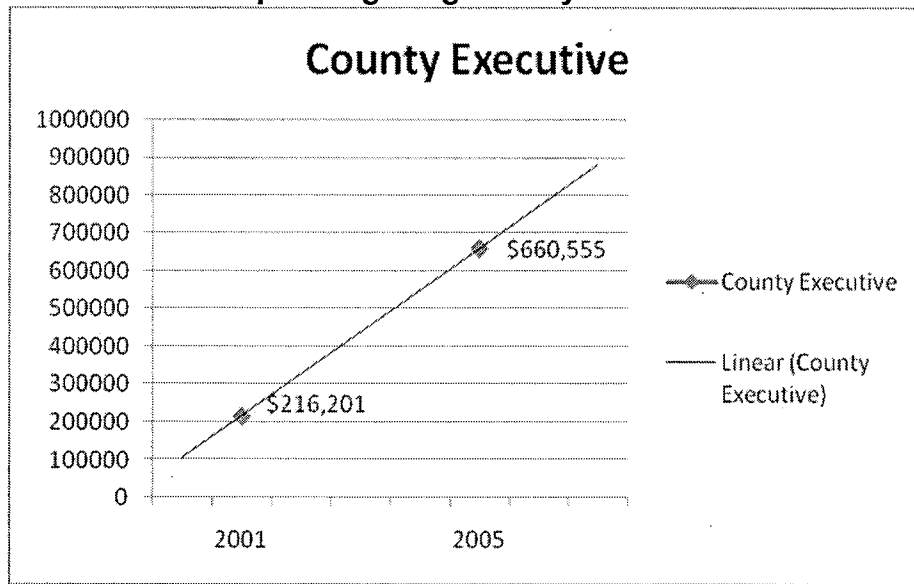
At the conclusion of the trending section, there is a discussion of possible costs associated with applying different PCF models to King County offices.

COUNTY-WIDE RACES

King County Executive:

The two most recent races for King County Executive have shown a dramatic increase in the amount of money spent by the candidates. The 2005 campaign cycles showed a 206% increase in the average amount spent by the two major candidates. In the 2001 cycle, approximately \$327,000 was spent in total by the two filed candidates. The 2005 cycles showed an increase of about \$1,000,000 to a total of \$1,321,000. Also important to note is that the winning candidate spent more than three times the amount in 2005 than was spent by the winning candidate in 2001. The winning candidate in 2001 spent \$216,000. In 2005, the winning candidate spent \$769,000. Chart 1 shows the trending of the average spending of the top two candidates in the most recent races for King County Executive.

Chart 1: Spending King County Executive Races

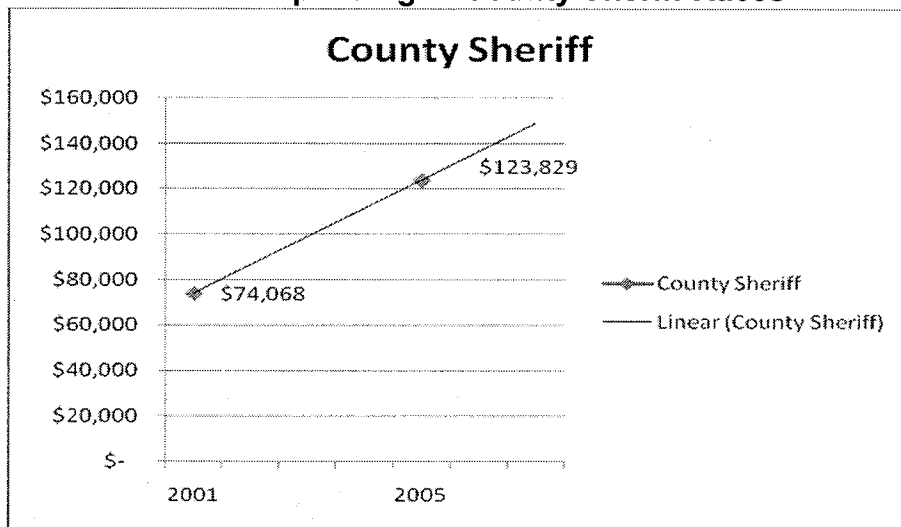


King County Sheriff:

Beginning with the discussion of the races for County Sheriff, an issue emerges that hampers a true analysis of the cost of county campaigns. That issue is the lack of challenged races. In the timeframe covered by the study, there was only one contested race for County Sheriff. While it is unknown what would have happened if the 2001 race were contested, some information can be gleaned by looking at what was raised in the election cycle.

The 2005 race showed a dramatic increase over the 2001 race. The total spent in 2005 was \$248,000 as opposed to only \$74,000 spent in 2001 – an increase of 234%. While the 2001 race showed \$74,000 spent by the winning candidate, it is interesting to note that when the average spending in 2005 for the top two candidates was averaged, a spending level of \$124,000 was found. However, the winning candidate spent \$187,000, outspending the other challenger by approximately \$127,000. Chart 2 shows the two most recent races for County Sheriff.

Chart 2: Spending in County Sheriff Races



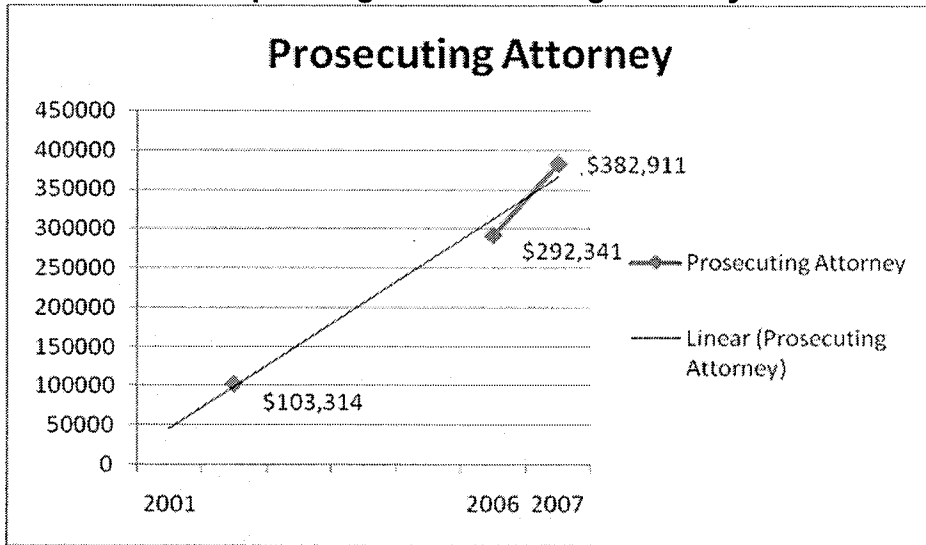
Prosecuting Attorney:

There is a unique financial history when looking at Prosecuting Attorney's races. The first two races covered by the study were races in which the incumbent prosecutor ran unopposed. With the untimely passing of the incumbent in 2007, there was an opportunity to view a contested race, and one on a somewhat compressed timeframe.

Despite uncontested races in both 2002 and 2006, the spending in the Prosecuting Attorney race increased from \$103,000 in 2002 to \$292,000 in 2006 – an increase of 183%. When the position became vacant in 2007, the spending in the race jumped to \$805,000, with the winner spending \$512,000, an amount second only to the County Executive race in 2005 during the timeframe covered by this study. The average spent, arrived at by examining the top two candidates' expenditures, also grew to \$383,000.

What is unclear from this data is whether the 2007 race was a unique situation where candidates and parties were treating the vacancy as a one-time opportunity to win a position that had remained stable for a long time period, or whether this level of expenditure is what should be expected in a challenged, county-wide race for prosecuting attorney. Chart 3 shows the spending in the most recent races for County Prosecutor. It should be noted that with the addition of a third data point in this table, for the first time, the line of best fit is shown to vary from the points on the graph. This is intended to show growth over time.

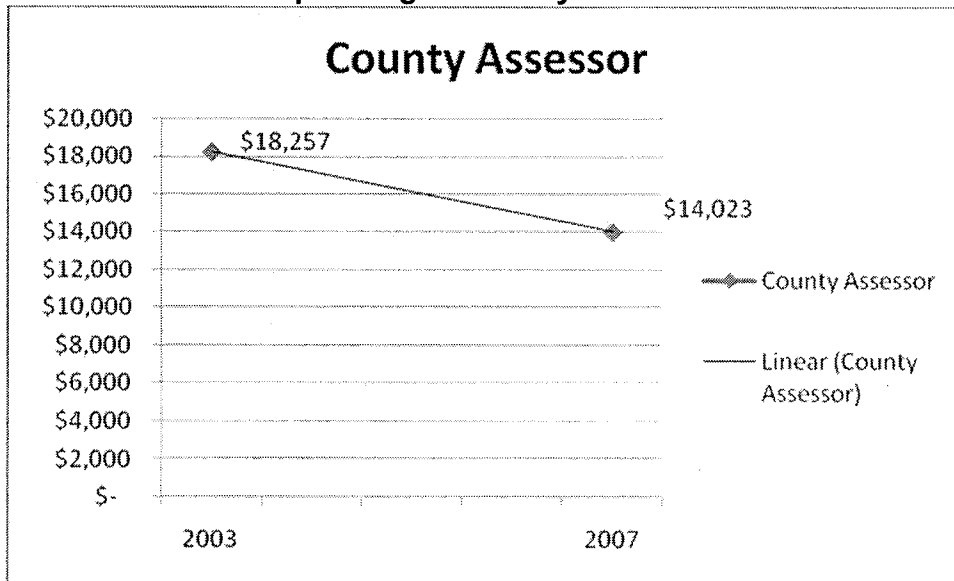
Chart 3: Spending in Prosecuting Attorney Races



County Assessor:

The position of County Assessor is the one county-wide position which has not shown significant growth over the timeframe of the study. Despite being challenged by a major party candidate in the 2007 election cycle, the incumbent assessor actually spent less to retain his seat than was spent in the 2003 election cycle. In winning the 2007 election, the assessor spent \$17,991 compared to spending \$18,257 in 2003. The total spent in the race did increase from \$20,000 to \$28,000 largely due to two major party candidates filing for the position. Chart 4 shows the average spent in the last two County Assessor races.

Chart 4: Spending in County Assessor Races

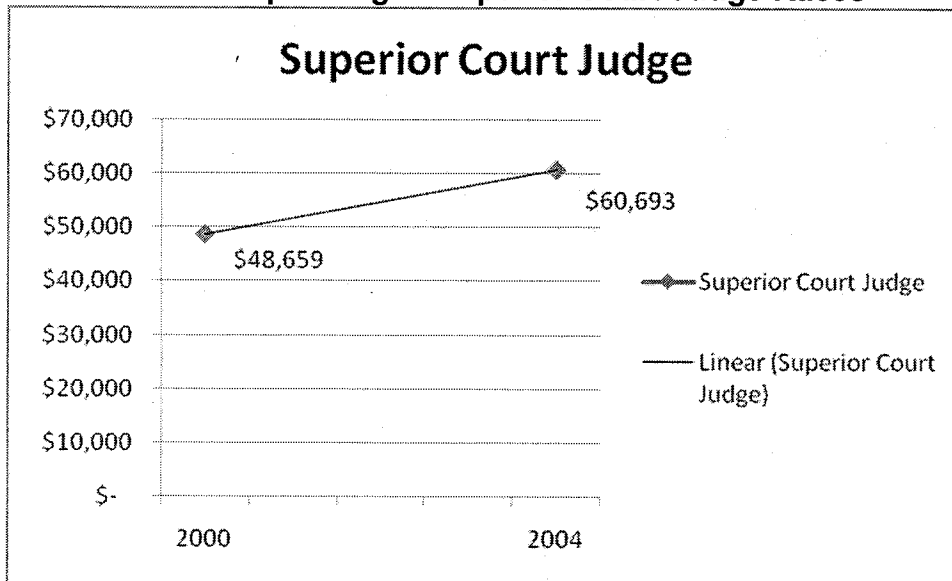


Superior Court Judge:

The countywide races for Superior Court Judge present somewhat of a challenge to examine spending. Superior Court judges only proceed to the general election if challenged. Therefore, there are many PDC filings as candidates file for reelection, but there are a limited number of contested races. In the two major election cycles covered by this study (2000 and 2004), there were approximately 12 challenged elections where multiple candidates filed and spent campaign funds. This is despite all 50+ positions being open in each election cycle.

When a challenged race did occur, the campaign spending varied widely from a low of \$20,000 (position 13, 2004) to a high of \$198,000 (position 45, 2004). The amount spent by the winning candidate also varied widely from a low of \$12,000 (position 13, 2004) to a high of \$139,000 (position 45, 2004). When looking at the changes between 2000 and 2004, the average spent by the top two candidates in contested races grew from \$49,000 to \$61,000. Chart 5 shows the change in spending for contested Superior Court judgeships between 2000 and 2004.

Chart 5: Spending in Superior Court Judge Races



DISTRICT BASED RACES

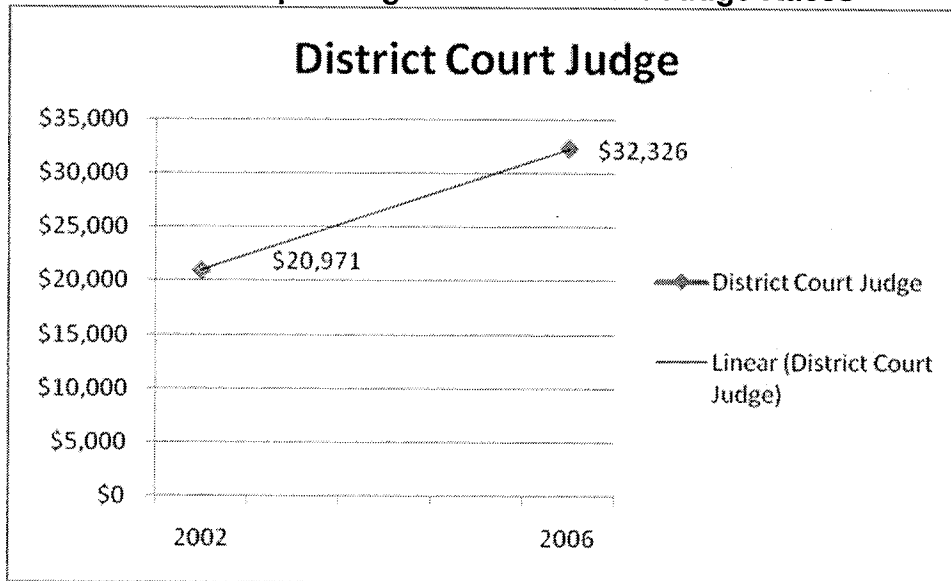
The following section discusses county positions that are not elected through county-wide elections. District Court Judges are split amongst the various eleven Judicial Districts. The Metropolitan King County Council membership is split between nine Council districts.

District Court Judge:

In looking at the District Court contested races, there were fewer instances to examine than with the Superior Court. In the 2002 and 2006 election cycles,

there was only one seriously challenged seat in each election cycle. The lack of challenges is unclear. In the challenged races, the spending increased from an average of \$21,000 in 2002 to \$32,000 in the 2006 cycle – an increase of approximately 50%. The amount spent by winning candidates, however, did not increase as dramatically, despite each winning candidate facing multiple challengers. The winning candidate in 2002 spent \$40,000, while the winning candidate in 2006 spent \$51,000, an increase of 28%. Each race had at least four candidates file and expend over \$1,000, with at least three candidates spending over \$10,000. Chart 6 shows the spending in the recent contested District Court races.

Chart 6: Spending in District Court Judge Races



King County Councilmember:

Due to several factors, the time period covered by this study actually covers four County Council election cycles. There were contested council races in 2001, 2003, 2005 and 2007. The 2005 election cycle was a full cycle with all nine county council seats available. The 2001, 2003 and 2007 races were comprised of seats representing approximately half the council in each cycle.

One issue that may affect the reliability of the numbers presented in this study is that a large percentage of county council races are unopposed. Sixteen of the twenty-seven council races covered by this study were either unopposed or the incumbent was not challenged by a major party challenger.

In looking at campaign expenditure totals between the 2001 election and the 2007 election cycle, the average spent by the top two candidates increased from \$106,000 to \$166,000 – an increase of 57%². Also interesting is the disparate

² For data integrity purposes, if a race was uncontested, we used only the amount spent by the winner. This has likely increase the average slightly in all four election cycles.

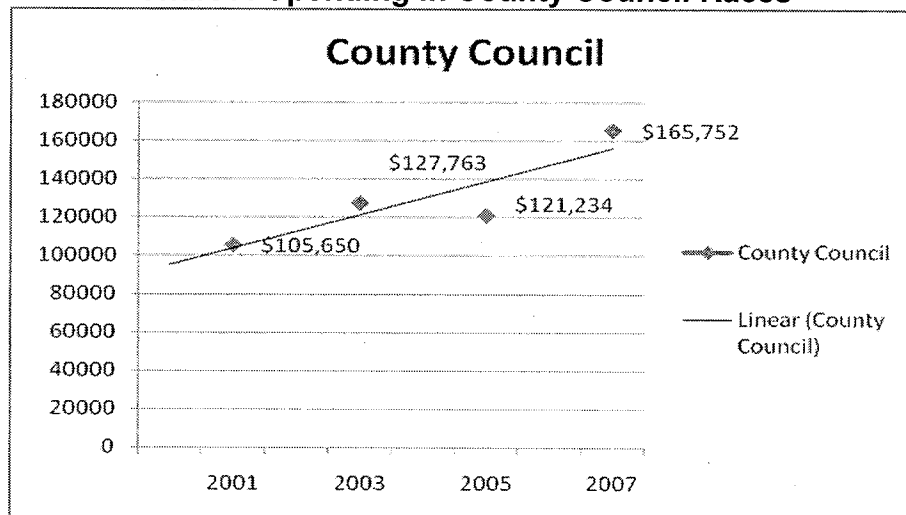
range between amounts spent by winning candidates. Over the four election cycles, the winning candidate has spent between a low of \$8,426 and a high of \$428,000.

In attempting to determine the “typical” amount spent in a council campaign, this review looked at the most recent challenged races. These include:

- District 1: 2005³ – Total Spent (\$331,000), Winner Spent (\$172,000)
- District 9: 2005⁴ – Total Spent (\$726,000), Winner Spent (\$352,000)

While both of these races pitted two incumbent County Councilmembers against each other, this range of expenditures might be expected in a situation where well-funded candidates were contending for the same County Council seat. This range of \$175,000 to \$350,000 is slightly higher than the averages shown in Chart 7, which includes the other races where a variety of factors have kept costs lower than otherwise might be expected. It should be noted, once again, that the data points in this chart represent the average spent by the top two candidates in contested races and the spending by the winner in uncontested races.

Chart 7: Spending in County Council Races



Trends Conclusion:

When examining the trends in King County elections since 2000, in almost all cases the spending in campaigns is increasing. The exception to this are the races for King County Assessor which actually showed a slight decrease over the timeframe covered by the study.

The Countywide races for Executive, Sheriff and Prosecuting Attorney showed the most dramatic increases over the timeframe covered by this study. While the countywide races for Superior Court Judge and the district based positions of

³ Race included two incumbent Councilmembers

⁴ Race included two incumbent Councilmembers

District Court Judge and County Councilmember showed moderate increases over the timeframe covered by the study.⁵

PCF Funding Models

Each jurisdiction examined is discussed individually below. The model assumptions for each jurisdiction were applied to show how that particular model would effect countywide elections. The following table summarizes the results of the analysis for the costs of a 4-year election cycle when applied to campaigns for council and executive offices within King County. One of the decisions (as noted in the Executive Summary) that would need to be made is what offices are included in the PCF system. Councilmembers have expressed a desire to examine a phased approach that might begin with the office of Executive and Councilmember, or only Councilmember. These costs are presented below. Also, in the sections discussing various models, the report also estimates costs associated with expanding the program to other county offices, as discussed in Proposed Ordinance 2008-0147.

MODEL (applied to King County)	council only	executive only	Total Executive & Council
Maine	\$ 500,904	\$ 784,000	\$1,284,904
Seattle	1,050,000	300,000	1,350,000
King County	1,260,000	525,000	1,785,000
San Francisco	1,575,000	1,700,000	3,275,000
Arizona	2,160,000	1,140,000	3,300,000
Albuquerque	1,995,012	1,989,628	3,984,640
Portland	6,300,000	900,000	7,200,000

omits other county offices & independent expenditures to provide an "apples to apples" comparison)

Other county and judicial races are not included in this table, although costs have been estimated for those offices in some of the models examined. Costs estimates are provided by office to provide a "menu" for examination should there be a desire to implement campaign financing through a phased model.

Arizona

Arizona voters adopted a public campaign financing model in 1998. This program appears to be the most broadly defined program of the models examined and applies to candidates for:

- Governor
- Secretary of State
- Attorney General
- Treasurer
- Superintendent of Public Instruction
- Corporation Commission

⁵ For purposes of this study, we have defined dramatic growth as that over 60% increase between 2000 and 2007. We have defined moderate growth as growth less than 60% between 2000 and 2007.

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- Mine Inspector
- Legislature

Similar to other lump sum models, the Arizona Model allows candidates to accept limited private donations for use as “seed” money, as well as requiring candidates to collect a number of qualifying \$5 contributions to meet the thresholds for public financing. Arizona categorizes these private seed money donations as “early” money. Candidates are also limited to donating personal funds to their campaigns of only \$1,160 for statewide offices and \$580 for legislative offices.

The Arizona Model also has a revenue generating mechanism to off-set part of the cost of running the program. In order to qualify for the program, a candidate seeking the following offices must solicit exactly a \$5 donation from the number of registered voters noted below.

Governor	\$4,200
Secretary of State and Attorney General	2,625
Treasurer, Superintendent of Public Instruction, Corporation Commission	1,575
Mine Inspector	525
Legislature	210

This model also includes rigorous reporting requirements and a “qualifying period” which includes the use of a small amount of “seed money”. There is also a limit to the amount of early funding that can be raised and spent under the Arizona model. These amounts are capped at the following levels:

Governor	\$46,440
Secretary of State and Attorney General	23,820
Treasurer, Superintendent of Public Instruction, Corporation Commission	11,910
Mine Inspector	5,950
Legislature	2,980

Much the same as the Portland and Maine models, the Arizona Model makes initial lump sum payments only for the primary elections. Candidates who advance to the general election receive a second payment once the outcome of the primary is certain. Currently, the primary election payments are as follows:

Governor	\$453,849
Secretary of State, Attorney General	95,550
Treasurer, Superintendent of Public Instruction, Corporation Commission	47,770
Mine Inspector	23,890
Legislature	11,945

The current payments to candidates advancing to the general election are as follows:

Governor	\$680,774
Secretary of State, Attorney General	143,325
Treasurer, Superintendent of Public Instruction, Corporation Commission	71,655
Mine Inspector	35,835
Legislature	17,918

The Arizona Model also includes a “matching funds” clause designed to keep participating candidates financially competitive with non-participating candidates who spent more than the public financing expenditure limits. The Arizona Model, as with Maine, also caps the amount of matching funds (equalizing funds, in their terminology) at two times the initial payment. These amounts are capped regardless of what their opponent(s) might spend.

As with the other models, independent expenditures are calculated into the amounts a candidate can receive from matching funds. The Arizona model does cap the amount of equalizing funds that can be disbursed to three times the spending limit for each election.

For King County comparison purposes, this analysis used ½ the expenditure limits for the office of Governor to determine costing for the County Executive race and the spending limit for Treasurer, Superintendent of Public Instruction and Corporation Commission to represent the costing for County Council races. The total matching funds for Governor would be \$1.13 million. This appears to be significantly higher than the amount spent in prior County Executive races. However, ½ that amount is \$570,000 which is reasonable considering the most recent County Executive race. The limits for the office of Treasurer, Superintendent of Public Instruction and Corporation Commission are \$120,000 which is a number similar to prior County Council races. This amount will be used for costing purposes in County Council races.

As noted earlier, the “qualifying contributions” of \$5 per registered voter are paid to the State. These contributions can be treated as revenues for the purposes of this analysis. Under this comparison model, there would be revenue flowing into the public financing system other than just an annual budget appropriation.

Specifically, revenues could be estimated in the following ways:

- County Executive: 2 candidates x \$5 contribution x 4,200 registered voters = \$42,000
- County Council: 18 candidates x \$5 contribution x 1,575 registered voters = \$141,750

The Arizona Model may provide a good incentive for both County Executive candidates and County Council candidates to participate in the public financing

system. For raising the qualifying contributions of \$21,000, a candidate for County Executive would receive \$570,000 in public financing – assuming both candidates participated and stayed within spending limits. For raising qualifying contributions of \$7,875, a County Council candidate would receive \$119,425 in public funding. This assumption assumes no independent expenditures or “non-participating” candidates exceeding the spending limits.

All Candidates:

- Personal contributions to the campaign can only be made during the “seed” period.
- Independent expenditures are factored into calculations regarding spending limits.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races and the County Executive race will be contested.
- All candidates for all positions will participate in the public financing program.
- There will be \$330,000 (approximately 10% of expenditures) in matching (excess funds) paid in the election cycles. This could arise from independent expenditures in either the County Executive or County Council races.

County Executive:

- 2 qualifying and participating candidates
- \$570,000 per campaign (\$227,000 for Primary + \$343,000 for General)
- = **\$1,140,000 in public funding.**

County Council:

- 18 Campaigns (2 campaigns per district)
- \$120,000 per campaign (\$48,000 for Primary + \$72,000 for General)
- = **\$2,160,000 in public funding**

Total Costing When Arizona Model is Applied to King County:

- | |
|---|
| <ul style="list-style-type: none">• \$1,140,000 County Executive• \$2,160,000 County Council• \$ 330,000 Matching Funds for excess expenditure• (\$ 183,750) in revenue from Qualifying Contributions• \$3,446,250 in public funding |
|---|

Maine

Maine voters adopted a public campaign financing model in 1996. Maine’s program applies to the offices of Governor, State Senator and State Representative. Similar to other lump sum models, the Maine Model allows

candidates to accept limited private donations of up to \$100 for “seed” money, as well as requiring candidates to collect a number of qualifying \$5 contributions to meet the thresholds for public financing.

The Maine Model also has a revenue generating mechanism to off-set part of the cost of running the program. In order to qualify for the program, a candidate for state Senator must gather exactly a \$5 contribution from 150 registered voters in the Senate District. A candidate for Legislator must gather a contribution of exactly \$5 from 50 registered voters in the Legislative District. Candidates for Governor must solicit contributions of 2,500 registered voters in the State. The Maine Model also includes rigorous reporting requirements and a “qualifying period” which includes the use of a small amount of “seed money”. The use of seed money is limited to \$1,500 for Senate candidates, \$500 for legislative candidates and \$50,000 for gubernatorial candidates.

Similar to the Portland Model, and the Arizona Model, the Maine Model makes initial lump sum payments only for the primary elections. Candidates who advance to the general election receive a second payment once the outcome of the primary is certain.

The public campaign financing program in Maine makes disbursements to candidates, even if they are uncontested in their races. Currently, the primary election payments are as follows:

Governor	\$105,000
Senator (contested)	7,746
Senator (uncontested)	1,927
Legislator (contested)	1,504
Legislator (uncontested)	512

The current payments to candidates advancing to the general election are as follows:

Governor	\$287,000
Senate (contested)	20,082
Senate (uncontested)	8,033
Legislator (contested)	4,362
Legislator (uncontested)	1,745

The Maine Model also includes a “matching funds” clause designed to keep participating candidates financially competitive with non-participating candidates who spent more than the public financing expenditure limits. However, differing from the Portland and Albuquerque models, the Maine Model caps the amount of matching funds at two times the initial payment.

For State Senate candidates this would result in a total of \$23,238 for the primary and \$60,246 for the general election. For Legislative candidates the maximum

would be \$4,512 for the primary and \$23,238 for the general election. Candidates for Governor can receive up to \$315,000 for the primary and \$861,000 for the general election. These amounts are capped regardless of what their opponent(s) might spend. As with the other models, independent expenditures are calculated into the amounts a candidate can receive from matching funds.

For King County comparison purposes, the expenditure limits for the office of Governor were used to determine costing for the County Executive race and the spending limits for State Senator to represent the costing for County Council races. The legislative limit of \$5,868, assuming the full amount of matching, is sufficiently low as to appear unreasonable for County Council races.

As noted earlier, the “qualifying contributions” of \$5 per registered voter are paid to the state. These contributions can be treated as revenues for the purposes of this analysis. Under this model there would be revenue flowing into the public financing system other than just an annual budget appropriation. Specifically, revenues could be estimated in the following ways:

- County Executive: 2 candidates x \$5 contribution x 2,500 registered voters = \$25,000
- County Council: 18 candidates x \$5 contribution x 150 registered voters = \$13,500

The Maine Model may provide a good incentive for County Executive candidates to participate in the public financing system. For raising the qualifying contributions of \$12,500, a candidate for County Executive would receive \$392,000 in public financing – assuming both candidates participated and stayed within spending limits. A County Council candidate, however, would only receive \$27,828 assuming both candidates participated and stayed within the spending limits. Since 2001, there have only been three County Council races where the winning candidate spent less than \$27,828. Only one of those three races was contested.

All Candidates:

- Personal contributions to the campaign can only be made during the “seed” period.
- Independent expenditures are factored into calculations regarding spending limits.
- The candidate or a designated staff must attend training on the policies, rules and procedures of the public financing program.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races and the County Executive race will be contested.

- All candidates for all positions will participate in the public financing program.
- There will be \$128,490 (approximately 10% of expenditures) in matching (excess funds) paid in the election cycles. This could arise from independent expenditures in either the County Executive or County Council races.

County Executive:

- 2 qualifying and participating candidates
- \$392,000 per campaign (\$105,000 for Primary + \$287,000 for General)
- = **\$784,000 in public funding.**

County Council:

- 18 Campaigns (2 campaigns per district)
- \$27,828 per campaign (\$7,746 for Primary + \$20,082 for General)
- = **\$500,904 in public funding**

Total Costing When Maine Model is Applied to King County:

• \$ 784,000	County Executive
• \$ 500,904	County Council
• \$ 128,490	Matching Funds for excess expenditure
• (\$ 38,500)	in revenue from Qualifying Contributions
• \$1,374,894	in public funding

City of Albuquerque

In 2007, the City of Albuquerque, NM passed regulations implementing the Open and Ethical Elections Code contained within their City Articles. This financing model also makes a lump-sum payment to candidates who meet various criteria establishing their viability as a candidate for the office in question. The Albuquerque model also includes a “rescue” clause whereby candidates who choose not to participate in the public financing program, and spend campaign funds over the established campaign spending limit are “penalized”. The penalty in this model is that participating candidates receive extra payments of public campaign funds equal to the amount over the limit the non-participating candidate spent. The Albuquerque Model applies only to the offices of Mayor and City Council (Councilor).

The Albuquerque Model also has a revenue generating mechanism to off-set part of the cost of running the program. In order to qualify for the program, a candidate for mayor must gather exactly a \$5 contribution from 1% of the registered voters in the City. A candidate for City Councilor must gather a contribution of exactly \$5 from 1% of the registered voters in the Council district. These funds are payable to the appropriate elections fund administered by the City Clerk. The Albuquerque Model also includes rigorous reporting requirements and a “qualifying period” which includes the use of a small amount

of “seed money”. The intent of this period is to enable candidates the time and ability to gather the appropriate number of contributions to become a participating candidate.

King County currently has just fewer than one million registered voters (994,814 as of November 2007). If these criteria were applied to King County elections, candidates for the office of County Executive would be required to gather a \$5 donation from 9,948 registered voters. Candidates for the office of King County Councilmember would be required to gather a \$5 donation from approximately 1,105 registered voters. However, it should be noted that there is a difference of 44,271 registered voters between the high and low based on Council districts. Therefore, a candidate for District 5 would only need to collect 839 contributions due to a registered voter count of 83,866, but a candidate for District 3 would need to collect contributions from 1,281 registered voters due to a registered voter count of 128,137.

Upon qualification, the candidate would receive \$1 for each registered voter in either the City of Albuquerque for the Office of Mayor or the City Council District for City Councilors. This is also the maximum allowable spending limit for participating candidates in those races.

Under this model, qualifying candidates for King County Executive would receive \$994,814 in public financing upon certification of the candidate as qualifying under the program. Candidates for County Council would receive an average of \$110,500. However, as noted above, that amount would actually be \$1 per registered voter in each Council district. This amount would vary from a high of \$128,137 to a low of \$83,866.

This study noted that the amount of public financing that would be made available to County Council candidates under the Albuquerque Model actually tracks relatively closely to the actual average amounts spent by the top two candidates in the recent County Council races. What this does not factor in, however, is that when looking only at contested races, the average expenditures for County Council races is actually much higher.

As noted earlier, the “qualifying contributions” of \$5 per registered voter are actually paid to the City of Albuquerque. Under this model there would be revenue flowing into the public financing system other than just an annual budget appropriation. Specifically, revenues could be estimated in the following ways:

- County Executive: 2 candidates x \$5 contribution x 9,948 registered voters = \$99,480
- County Council: 18 candidates x \$5 contribution x 1,105 registered voters = \$99,450

The Albuquerque Model appears to provide a good incentive for candidates to participate in the public financing system. For raising the qualifying contributions of \$49,740, a candidate for County Executive would receive \$994,000 in public financing. A County Council candidate would receive an average of \$110,500 for raising qualifying contributions totaling \$5,525.

All Candidates:

- Candidate contributions to the campaign are limited to \$500 and allowed only in the Exploratory Period. Individual contributions are capped at \$100 and only available during the Exploratory Period.
- Independent expenditures are factored into calculations regarding spending limits if they mention a specific candidate or office/title.

County Council:

- Expenditures not to exceed \$1 per registered voter in a given district.
- Collect exactly \$5 from 1% of registered voters in a district.

County Executive:

- Expenditures limited to \$1 per registered voter in the County.
- Collect exactly \$5 from 1% of registered voters in the County.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races and the County Executive race will be contested.
- All candidates for all positions will participate in the public financing program.
- There will be \$398,000 (approximately 10% of expenditures) in matching (excess funds) paid in the election cycles. This could arise from independent expenditures in either the County Executive or County Council races.

County Executive:

- 2 qualifying and participating candidates
- \$1 per registered voter
- 994,814 registered voters
- = **\$1,989,628 in public funding.**

County Council

- 18 Campaigns (2 campaigns per district)
- \$1 per registered voter in the district
- Average of 110,534 registered voters per district
- = **\$1,995,012 in public funding**

Total Costing When Albuquerque Model is Applied to King County:

- \$1,989,628 County Executive
- \$1,995,012 County Council
- \$ 398,000 Matching Funds for excess expenditure
- (\$ 198,930) in revenue from Qualifying Contributions
- **\$4,581,570 in public funding**

City of Portland

The City of Portland has passed ordinances and adopted administrative rules governing the use of Campaign Financing. The program began in 2005 to prepare for the May 2006 primary election. Under this model, the local government makes a lump-sum payment to candidates who meet various criteria establishing their viability as a candidate for the office in question. The Portland model also includes a "rescue" clause whereby candidates who choose not to participate in the public financing program, and spend campaign funds over the established campaign spending limit are "penalized". The penalty in this model is that participating candidates receive extra payments of public campaign funds equal to the amount over the limit the non-participating candidate spent. The Portland Model applies to the offices of Mayor, City Commissioner and City Auditor.

The Portland Model also has a revenue generating mechanism to off-set part of the cost of running the program. In order to qualify for the program, a candidate for mayor must gather exactly a \$5 contribution from 1,500 registered voters in the City. A candidate for City Commissioner and City Auditor must gather a contribution of exactly \$5 from 1,000 registered voters in the City. The Portland Model also includes rigorous reporting requirements and a "qualifying period" which includes the use of a small amount of "seed money". The use of seed money is limited to \$20,000 for mayoral candidates and \$15,000 for Commission and Auditor candidates.

As with other models, upon certification in the Portland Model, candidates receive an initial lump-sum payment for the primary election only. After the outcomes of the primary elections are known, the City distributes a second payment to the candidates eligible for the general election.

Currently the primary election payments are as follows:

Mayor	\$200,000
Commissioner	150,000
Auditor	150,000

The current payments to candidates advancing to the general election are as follows:

Mayor	\$250,000
Commissioner	200,000

Auditor

200,000

Each candidate for Mayor who advances to the general election would be eligible for \$450,000 (total) in public funding. Each candidate for Commissioner or Auditor would receive \$350,000 (total) in public funding. For purposes of this cost estimate, a costing model was used that is similar to the Portland Model which uses only the offices of County Executive and County Councilmember.

As noted earlier, the “qualifying contributions” of \$5 per registered voter are paid to the candidate’s campaign. However, these qualifying contributions are deducted from the public funding payments in the system. These contributions can be treated as revenues for the purposes of this analysis. Under this model there would be revenue flowing into the public financing system other than just an annual budget appropriation. Specifically, revenues could be estimated in the following way:

- County Executive: 2 candidates x \$5 contribution x 1,500 registered voters = \$15,000
- County Council: 18 candidates x \$5 contribution x 1,000 registered voters = \$90,000

The Portland Model appears to provide a good incentive for candidates to participate in the public financing system. For raising the qualifying contributions of \$7,500, a candidate for County Executive would receive \$450,000 in public financing. A County Council candidate would receive public funding of \$350,000 for raising qualifying contributions totaling \$5,000.

All Candidates

- Personal contributions to the campaign can only be made during the “seed” period.
- Independent expenditures are factored into calculations regarding spending limits.
- The candidate or a designated staff must attend training on the policies, rules and procedures of the public financing program.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races and the County Executive race will be contested.
- All candidates for all positions will participate in the public financing program.
- There will be \$720,000 (approximately 10% of expenditures) in matching (excess funds) paid in the election cycles. This could arise from independent expenditures in either the County Executive or County Council races.

County Executive:

- 2 qualifying and participating candidates
- \$450,000 per campaign (\$200,000 for Primary + \$250,000 for General)
- = **\$900,000 in public funding.**

County Council:

- 18 Campaigns (2 campaigns per district)
- \$350,000 per campaign (\$150,000 for Primary + \$200,000 for General)
- = **\$6,300,000 in public funding**

Total Costing When Portland Model is Applied to King County:

- | |
|--|
| <ul style="list-style-type: none">• \$ 900,000 County Executive• \$6,300,000 County Council• \$ 720,000 Matching Funds for excess expenditure• (\$ 105,000) in revenue from Qualifying Contributions• \$7,815,000 in public funding |
|--|

City of San Francisco

The combined City and County Government of San Francisco created a public campaign financing program in 2000. This model is a form of a “matching funds” public financing model. San Francisco’s program appears to be a very broad program applying to the following positions:

- Mayor
- Board of Supervisors
- Board of Education (San Francisco Unified School District)
- Governing Board Member (San Francisco Community College District)
- Assessor
- Public Defender
- City Attorney
- Treasurer
- District Attorney
- Sheriff

However, only candidates for the offices of Mayor and Board of Supervisors are actually eligible to receive public financing. The inclusion of the other offices appears to be an attempt to merely limit the amount of money spent in the other races. Candidates agree to not spend in excess of a pre-set amount, but do not receive public financing to help them reach their spending goals.

Similar to other examined models, the San Francisco Model allows candidates to accept limited private donations for use as “seed” money, as well as requiring candidates to collect a number of qualifying contributions to meet the thresholds for public financing. A qualifying contribution in San Francisco is known as an amount of not less than \$10 and not more than \$75. To be eligible for public financing, a candidate for mayor must raise at least \$25,000 in qualifying

contributions from at least 250 contributors. A candidate for Board of Supervisors must raise at least \$5,000 in qualifying contributions from at least 75 contributors.

Participating in the public financing systems includes both a cap on the amount of public funding that can be received and a limit on the total amount that can be spent in the campaign. Candidates for Mayor are capped at \$850,000 in public financing and must agree not to spend more than \$1,375,000. Candidates for Supervisor are capped at receiving no more than \$87,500 in public funding and cannot spend more than \$140,000.

The San Francisco model has a somewhat more complicated payment plan than in other matching funds states. The amount of public financing is segmented into categories and there are various matches associated at each level. In effect, the payment schedule shows a hybrid approach between a traditional lump-sum public financing system and a matching funds system. The payment schedules are discussed below.

For the Office of Mayor:

- Upon certification as a candidate eligible for public financing a candidate for Mayor receives a lump-sum payment of \$50,000.
- For the next \$100,000 in matching contributions (different from “qualifying contributions” in that matching contributions can be up to \$500 per individual) the Candidate would receive \$4 in public funding for every \$1 raised privately. *Ratio = 4:1*
- For the next \$400,000 in matching contributions, the candidate would receive \$1 in public funding for each \$1 raised privately. *Ratio = 1:1*
- If, due to independent expenditures, the expenditure limit is increased by the Elections Department, the match continues at a rate of \$1 in public funding for every \$1 raised privately. *Ratio = 1:1*

For the Office of Supervisor:

- Upon certification as a candidate eligible for public financing a candidate for Supervisor receives a lump-sum payment of \$10,000.
- For the next \$10,000 in matching contributions, the candidate would receive \$4 in public funding for every \$1 raised privately. *Ratio = 4:1*
- For the next \$37,500 in matching contributions, the candidate would receive \$1 in public funding for each \$1 raised privately. *Ratio = 1:1*
- If, due to independent expenditures, the expenditure limit is increased by the Elections Department, the match continues at a rate of \$1 in public funding for every \$1 raised privately. *Ratio = 1:1*

As with the other models, independent expenditures are calculated into the amounts a candidate can receive from matching funds. The San Francisco Model also includes a “rescue” clause designed to keep participating candidates financially competitive with non-participating candidates who spent more than the

public financing expenditure limits. The excess matching funds limit is not pre-set; is it an amount determined by the current expenditure limit in the race.

For comparison purposes, this analysis used ½ the expenditure limits for the office of Mayor to determine costing for the County Executive race and the spending limit for Supervisor to represent the costing for County Council races. The spending limit for County executive would therefore be set at \$687,500 and the limit for County Council would be \$140,000.

All Candidates

- Personal contributions to the campaign are limited and pre-set.
- Independent expenditures are factored into calculations regarding spending limits.
- The candidate or campaign treasurer must attend a training session.
- All independent expenditures are assumed to benefit one of the candidates.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races and the County Executive race will be contested.
- All candidates for all positions will participate in the public financing program.
- There will be \$327,500 (approximately 10% of expenditures) in matching (excess funds) paid in the election cycles. This could arise from independent expenditures in either the County Executive or County Council races.

County Executive:

- 2 qualifying and participating candidates
- \$25,000 per candidate upon certification (\$50,000 in public funding)
- For the first \$50,000 raised a 4:1 matching ratio is used (\$400,000 in public funding)
- For the next \$200,000 raised a 1:1 matching ratio is used (\$400,000 in public funding)
- = **\$1,700,000 in public funding.**

County Council:

- 18 Campaigns (2 campaigns per district)
- \$10,000 per candidate upon certification (\$180,000 in public funding)
- For the first \$10,000 raised a 4:1 matching ratio is used (\$720,000 in public funding)
- For the next \$37,500 raised a 1:1 matching ratio is used (\$675,000 in public funding)
- = **\$1,575,000 in public funding**

Total Costing When San Francisco Model is Applied to King County:

- \$1,700,000 County Executive
- \$1,575,000 County Council
- \$ 327,500 Matching Funds for excess expenditure
- **\$3,602,000 in public funding**

PAST MODELS:

As noted earlier in this report, both King County and the City of Seattle had public campaign financing programs until 1992 when Initiative 134 specifically prohibited the use of public funds to finance political campaigns for state or local offices. This section will examine these two previous programs as they were enacted prior to termination. Both use a matching fund model.

As noted earlier in this report, Proposed Ordinance 2008-0147 has been introduced for consideration by the council. This ordinance would place the question of public campaign matching funds before King County voters on November 4, 2008. This proposal would allow voters to decide whether the county should move forward with public matching funds to finance campaigns for election. As proposed, this ordinance is based upon the previous county model discussed below.

City of Seattle – previous model

In November of 1978, the Seattle City Council passed Ordinance 107772 which established public financing of local campaigns. This ordinance established the offices of Mayor, City Council, City Attorney, City Comptroller and City Treasurer as those eligible for public financing. For the purposes of this report, this example will be termed the “Seattle Model”.

The Seattle Model does not include public financing for municipal court judges. However, in costing the model, the study assumes that all county offices would be included in the program. This would provide a highest-cost estimate. The analysis is presented based upon a “per office” cost, so Councilmembers will be able to use the estimate like a “menu” in deciding which offices to include/exclude from the program.

County offices included in the cost estimate will be: 1) Executive, 2) County Councilmember, 3) Sheriff, 4) Prosecuting Attorney, 5) County Assessor, 6) Superior Court Judge, and 7) District Court Judge.

Under the Seattle Model, those participating would be limited in expenditures to \$150,000 for the office of Mayor and \$50,000 for other offices. It should be noted however, that these were the limits imposed in 1978. It is unclear what limits would be most appropriate today. For purposes of this cost estimate, those limits have been doubled. The limits for the following positions and in the following amount are as follows:

County Executive	\$300,000
All other County offices	100,000

It should be noted, however, that the limitations to \$100,000 for the offices of County Prosecutor and County Executive would significantly reduce the amount of funds the candidates would be eligible to expend. This might provide a disincentive to candidates in the decision of whether to participate in the public financing program. For County Council and Sheriff, the \$100,000 cap might require some candidates to reduce expenditures over prior elections. For Superior Court Judge, District Court Judge and County Assessor – based upon past history – there would be very few instances where candidates would need to reduce expenditures over prior elections.

To be eligible for public financing, the candidates for Mayor must raise at least \$20,000 from at least 100 contributors or receive 300 contributions of \$10 or more. Candidates for other offices must raise \$7,500 from at least 100 contributors or receive 200 contributions of \$10 or more. Only contributions from residents of the City of Seattle are counted.

Candidates who qualify for the public matching program receive a \$1:\$1 match up to a maximum of \$50 per contributor. This effectively means that the public will be funding ½ the cost of the election expenditures. Candidates who participate in the public campaign program are eligible to receive public matching funds even if their opposition does not participate in the program.

In many ways, the only key difference between the Seattle Model and the model envisioned in Proposed Ordinance 2008-0147 is the difference in the maximum amount spent by each candidate. The Seattle Model's limits are significantly lower than what would be allowed by Proposed Ordinance 2008-0147. Even with doubling the limits established in 1978 to more accurately reflect the current state of campaign spending, the total program costs are still lower.

All Candidates:

- Personal contributions to the campaign are limited to \$1,000 in any campaign year.
- No more than 75% of expenditure limits could be spent prior to the Primary Election.
- Independent expenditures are not factored into calculations regarding spending limits.

County Council, Sheriff, Prosecuting Attorney, Assessor, Superior Court Judge, District Court Judge:

- Expenditures not to exceed \$100,000.
- Raise \$7,500 from one hundred residents or collect 200 donations of \$10 or more.

County Executive:

- Expenditures limited to \$300,000.
- Raise \$20,000 from at least 100 contributors or collect 300 contributions of \$10 or more.

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races will be contested.
- 1/3 of County Council races will have at least one third party candidate file and qualify for public financing and raise the \$50,000 necessary to “spend” the maximum (3 races).
- All races for Executive, Prosecutor, Sheriff and Assessor will be contested.
- 1/3 Superior Court races will be challenged (17 elections)
- 1/3 District Court races will be challenged (8 elections)
- Publicly funded candidates for County Council, Executive, Sheriff, and Prosecutor will all expend the maximum allowed for that race.
 - County Council: \$100,000
 - County Executive: \$300,000
 - Prosecutor: \$100,000
 - Sheriff: \$100,000
- Candidates for Assessor will expend ½ the maximum allowable amount (\$50,000)
- Candidates for Judgeships will expend the maximum allowable amount for the race.
 - Superior Court: \$100,000
 - District Court: \$100,000

Estimated Costs:

County Council:

- 9 races x 2 candidates per race = 18 candidates
- Add 3 “third party” candidates for a total of 21 campaigns / 4 year cycle
- 21 campaigns x \$100,000/candidate maximum spending limit = \$2,100,000 expended
- 50% of total expenditures publicly matched = **\$1,050,000** in public funds.

County Executive:

- 1 race x 2 candidates per race = 2 candidates
- 2 campaigns x \$300,000 / candidate maximum spending limit = \$600,000 expended.
- 50% of total expenditures publicly matched = **\$300,000** in public funds.

Sheriff:

- 1 race x 2 candidates per race = 2 campaigns

- 2 campaigns x \$100,000 / candidate maximum spending limit = \$200,000 expended.
- 50% of total expenditures publicly matched = **\$100,000** in public funds.

Prosecutor:

- 1 race x 2 candidates per race = 2 campaigns
- 2 campaigns x \$100,000 / candidate maximum spending limit = \$840,000 expended.
- 50% of total expenditures publicly matched = **\$100,000** in public funds.

Assessor:

- 1 race x 2 candidates per race = 2 campaigns
- 2 campaigns x \$50,000 per candidate estimate = \$100,000
- 50% of total expenditures publicly matched = **\$50,000** in public funds.

Superior Court Judge:

- 17 races x 2 candidates per race = 34 campaigns
- 34 campaigns x \$100,000 estimated per candidate = \$3,400,000 expended
- 50% of total expenditures publicly matched = \$1,700,000 in public funds.

District Court Judge:

- 8 races x 2 candidates per race = 16 campaigns
- 16 campaigns x \$100,000 estimated per candidate = \$1,600,000 expended.
- 50% of total expenditures publicly matched = \$800,000 in public funds.

Total Costing When Seattle Model is Applied to King County

• \$ 300,000	County Executive
• \$1,050,000	County Council
• \$ 100,000	Sheriff
• \$ 100,000	Prosecutor
• \$ 50,000	Assessor
• \$1,700,000	Superior Court Judge
• \$ 800,000	District Court Judge
• \$4,100,000	in public funding

Total Costing for this Model with Only Executive & County Council

• \$ 300,000	County Executive
• \$1,050,000	County Council
• \$1,350,000	Total Public Funding

King County – previous model

In May of 1989, the Council passed Ordinance 8970 which established public financing of county campaigns. The ordinance established the offices of Executive, Council, Prosecuting Attorney, Sheriff and Superior and District Court judges as those eligible for public financing. This model is a “matching funds” model allowing a 1:1 match of funds.

All Candidates (Assessor is not included in the Ordinance)

- Cannot make personal donations exceeding 10% of the expenditure limit for the campaign.
- Independent expenditures, as defined, are not included in the computation of this amount.
- \$1:\$1 match public v. donated funds with a \$50 match limit per contributor. Normal limits for total contribution would still apply, but the public match would be capped at \$50/person.

County Council

- Expenditures not to exceed annual salary for the position.
- Gather two hundred contributions of \$10 or more from King County residents.
- Be opposed by a candidate who has qualified for local public matching funds, or who has raised or has cash on hand of \$10,000 or more.

All other County Offices (Executive, Prosecutor, Sheriff, District Court Judge, Superior Court Judge)

- Expenditure not to exceed 3 times the annual salary
- Gather five hundred contributions of \$10 or more from King County residents.
- Be opposed by a candidate who has qualified for local public matching funds, or who has raised, spent, or has cash on hand of \$45,000.

Approximate Current Salaries:

County Executive	\$175,000
Sheriff	150,000
Prosecutor	140,000
Superior Court Judge	130,000
District Court Judge	130,000
County Councilmember	120,000
Assessor	140,000

Costs per 4-Year Election Cycle

Analysis Assumptions:

- All County Council races will be contested.

- 1/3 of County Council races will have at least one third party candidate file and qualify for public financing and raise the \$60,000 necessary to “spend” the maximum (3 races).
- All races for Executive, Prosecutor and Sheriff will be contested.
- 1/3 Superior Court races will be challenged (17 elections)
- 1/3 District Court races will be challenged (8 elections)
- Publicly funded candidates for County Council, Executive, Sheriff, and Prosecutor will all expend the maximum allowed for that race.
 - County Council: \$120,000
 - County Executive: \$525,000
 - Prosecutor: \$420,000
 - Sheriff: \$450,000
- Candidates for Judgeships will expend 1/3 the maximum allowable amount for the race.
 - Superior Court: \$130,000
 - District Court: \$130,000

Estimated Costs

County Council:

- 9 races x 2 candidates per race = 18 candidates
- Add 3 “third party” candidates for a total of 21 campaigns / 4 year cycle
- 21 campaigns x \$120,000/candidate maximum spending limit = \$2,252,000 expended
- 50% of total expenditures publicly matched = **\$1,260,000** in public funds.

County Executive:

- 1 race x 2 candidates per race = 2 candidates
- 2 campaigns x \$525,000 / candidate maximum spending limit = \$1,050,000 expended.
- 50% of total expenditures publicly matched = **\$525,000** in public funds.

Sheriff:

- 1 race x 2 candidates per race = 2 campaigns
- 2 campaigns x \$450,000 / candidate maximum spending limit = \$900,000 expended.
- 50% of total expenditures publicly matched = **\$450,000** in public funds.

Prosecutor:

- 1 race x 2 candidates per race = 2 campaigns
- 2 campaigns x \$420,000 / candidate maximum spending limit = \$840,000 expended.
- 50% of total expenditures publicly matched = **\$420,000** in public funds.

Superior Court Judge:

- 17 races x 2 candidates per race = 34 campaigns
- 34 campaigns x \$130,000 estimated per candidate = \$4,420,000 expended
- 50% of total expenditures publicly matched = **\$2,210,000** in public funds.

District Court Judge

- 8 races x 2 candidates per race = 16 campaigns
- 16 campaigns x \$130,000 estimated per candidate = \$2,080,000 expended.
- 50% of total expenditures publicly matched = \$1,040,000 in public funds.

Total Costing When King County Model is Applied

• \$ 525,000	County Executive
• \$1,260,000	County Council
• \$ 450,000	Sheriff
• \$ 420,000	Prosecutor
• \$ 50,000	Assessor
• \$2,210,000	Superior Court Judge
• \$1,040,000	District Court Judge
\$5,905,000 in public funding	

Total Costing for this Model with Only Executive & County Council

• \$ 525,000	County Executive
• \$1,260,000	County Council
• \$1,785,000	Total Public Funding

Effectiveness of Public Financing Models

Some of the system models reviewed are still too new to have a sufficient amount of measurable data to truly evaluate their effectiveness. However, some public campaign financing systems have been operating for over 20 years. The table below shows the inception years for the program models reviewed in the study.

Jurisdiction	Year begun
Seattle	1978-1992
King County	1989-1992
Maine	1996
Arizona	1998
San Francisco	2000
Portland	2005
Albuquerque	2007

Many of the early reviews on the Maine and Arizona systems are reported to be positive. Candidates, political observers, and voters believe that these systems meet their intended goals. For instance, the Maine model that has been in effect since 1996 has shown an 80% increase in the number of candidates and the races that went uncontested decreased from 16.5% to 2%. Arizona has had an increase in minorities seeking office.

However, the results of the public financing efforts appear to be mixed with some models working well and others seeming to flounder. Some of the system models reviewed are still too new to have a sufficient amount of measurable data to truly evaluate their effectiveness. An example of a questionable result is shown in the Portland model. In 2006, only two candidates participated in the PCF system. In one of those campaigns, violations were identified by the campaign commission and the candidate returned half the public money.

One factor Councilmembers may want to consider in deciding on a PCF system is whether the inherent differences in elections between those that are statewide and those that are local impact the success of the program. The two models which would be deemed "most successful" have both been statewide programs. However, the PCF systems at the local level have had much more mixed results. If Councilmembers choose to move forward with PCF, this aspect may be an area that could benefit from additional research.

Additional Costs

Under most of the models reviewed, the campaign fund-raising and spending activities were overseen by either separate commissions or dedicated staff within the appropriate elections agency, such as the auditor, elections division, or clerk. Campaign fundraising and the spending activities of participating candidates are monitored by a government administrative agency to ensure compliance with the law. Consequently, in addition to expenditures for actual campaigns, a jurisdiction's public financing program would most likely incur costs for voter education, administration, oversight, reporting, transparency, and enforcement.

Additionally, the models reviewed included extensive implementing laws, rules and/or regulations that were very detailed bodies of work and would likely consume significant amounts of time and would incur costs to develop and implement prior to full utilization of a financing program.

A basis for estimating these costs may be found in the experience of Arizona, which has had a state level program in place since 2000 and has a population roughly comparable to Washington's⁶. According to the 2003 to 2006 annual reports of the Arizona Citizens Clean Elections Commission 5, Arizona's average annual expenditures for voter education for its program for the years 2003 to 2006 were \$1,574,519. Administration and enforcement costs were \$609,536, for an average annual total of \$2,184,055. King County represents roughly 30%

⁶2005 population estimates: Washington = 6,287,759; Arizona = 5,939,2924

of the population of the State of Washington. If you assume King County could administer the program as effectively as the State of Arizona, King County may expend approximately \$655,000 (30% of Arizona's administrative costs of \$2,184,055) to administer the PCF program.

At the time of this report, the estimated possible costs for development, implementation, administration and oversight has not yet been completed. A key factor in this decision may be whether the Council is interested in having existing elections personnel administer and oversee the program or whether it should be overseen by an independent commission. In completing this report, both models have been used and implemented in governments using PCF.

Possible Funding Strategies

Other cities and states use a variety of revenues to fund their public finance systems, and many combine funding from multiple sources. Many of these sources, however, will not produce a significant amount of revenue to support a full program and are unlikely to provide sole source revenue for campaign financing.

Before proceeding with this discussion, it should be noted that state or local laws may restrict the county from using some of the options. In the time frame provided, this report did not explore the legal viability of these options. They will need further investigation if the county decides to move forward with PCF.

- Property tax check-offs. Many states with public financing and the federal government allow taxpayers to check a box on their income tax form to designate a portion of their tax to be used in a public financing program fund. Seven states use a tax add-on, which allows a participant to donate a portion of his or her tax refund to public campaign financing. Within the county, it may be possible to provide for a voluntary check on property tax forms.

Councilmember may remember the discussion in 2007 regarding the legislation requiring homeowners whose mortgage companies pay their property taxes receiving a copy of their actual tax statement. It is now known that roughly 40% of homeowners do not pay their taxes directly. There may be equity issues associated with a property tax check-off in that such a large portion of the population does not actually receive a property tax bill.

- Candidate filing fees or voter pamphlet fees. Filing fees paid by candidates running for office, as well as the fees candidates pay to appear in the voter's guide, could be diverted into a public financing fund.
- Voluntary donations. A campaign financing fund could be established to accept donations from people supportive of public financing.

- Qualifying contributions raised by candidates. When a candidate raises qualifying contributions, a portion or percentage of these contributions could be diverted to a public financing fund.
- Penalties for violations of campaign finance laws. When candidates are forced to pay a fine for violating any aspect of jurisdictional campaign finance laws, a surcharge could be added or a portion diverted into a public financing fund.
- General Fund overhead model. PCF costs could be distributed countywide through a general fund overhead model. Under this approach, public financing could be included as a cost of government to be shared among county agencies. The City of Portland Auditor has recommended Portland use this approach. It is unclear whether this type of funding mechanism would be legal in Washington State. The policy basis would be that those elected from the PCF system are policy makers for all County funds, not simply the County's general fund.
- Special Levy. The County could choose to ask the voters for a special levy to fund PCF activities. Based upon the costs estimates contained within this analysis this would be a small levy. The amount necessary to fund the majority of the models discussed in this report would be less than \$.01 per \$1,000 assessed value.
- General Fund Appropriation. The costs associated with the elections function of county government are funded by the County's general fund. A general fund appropriation could be used to fund the needs of the PCF system. Ideally, to smooth out the payments to the PCF system, an estimate of the needs for a 4-year election cycle would be used and annual disbursements would be made to the PCF system.

Most local jurisdictions and at least some states rely on some form of annual general fund appropriation to finance their campaign systems. This allows flexibility to provide adequate funding as participation in a program increases or decreases. However, it should be noted that this would require a funding decision as part of the annual budget process. If existing general fund revenues are used for a PCF program rather than new revenues generated through another method, the program would need to receive an annual appropriation similar to other county programs.

Phasing of a New Model

As a reminder, this analysis has examined only the costs associated with a top two candidate scenario. Costs could be higher if more candidates participate in

the program. This scenario could become more likely if the program itself becomes popular.

Should the Council decide to implement a public campaign financing program, it may be possible to “phase-in” a program by only including certain offices in the beginning and building upon that program over time. For instance, council offices could be a pilot to determine candidate interest and implementation costs. For consideration of this scenario, each jurisdictional model included costs for individual races.

NEXT STEPS:

If Councilmembers are interested in the implementation of a PCF funding model, staff could be directed to prepare options for Council consideration. The formal model for PCF would be contained in an ordinance that would go to the voters for approval. The following decisions would likely need to be made prior to asking for voter approval:

- Type of Model – Matching Funds or Lump-Sum?
- Offices Included in the PCF system –
- Expenditure limits for the included offices
- Oversight of the program – internal or independent commission
- Funding – if a levy were the option, it would require a second ballot measure
- Responsibility for: 1) implementing legislation and 2) administrative rules

ATTACHMENTS:

1. Seattle Ordinance 107772, dated November 7, 1978
2. King County Ordinance 8970, dated May 22, 1989
3. Initiative 134, dated November 3, 1992
4. ESSSB5278
5. Motion 12734, dated April 14, 2008
6. Proposed Ordinance 2008-0147

Relating to the financing of election campaigns.

Ordinance No. 107772

AN ORDINANCE relating to municipal elections; providing for the limitation of contributions to and expenditures for municipal election campaigns and establishing a system of partial financing for public election campaigns; amending Sections 2, 15, and 21 of Ordinance 106653 (Fair Campaign Practices Ordinance) and adding thereto new sections 13-A, 13-B, 13-C, 13-D, 13-E, 13-F, 13-G, 13-H, 13-I, 13-J, 13-K, 13-L and 13-M.

11/15/78 pass

11817

11/15/78

Council Bill No. 998772

INTRODUCED OCT 30 1978	BY EXECUTIVE REQUEST
REFERRED OCT 30 1978	TO SPECIAL COMMITTEE ON CAMPAIGN FINANCING
REFERRED	
REPORTED NOV 6 1978	SECOND READING NOV 6 1978
THIRD READING NOV 6 1978	SIGNED NOV 6 1978
PRESENTED TO MAYOR NOV 7 1978	APPROVED NOV 7 1978
SENT TO CITY CLERK NOV 7 1978	FURNISHED
VETOED BY MAYOR	VETO PUNISHED
PASSED OVER VETO	VETO SUSTAINED
ENCROSSED	BY
PAGE	

See Back Cover

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- Ord 107978 - Amends Fair Campaign Practices Ord. to limit individual political contributions to groups.
- Ord 108130 - Amending Sec 13-J of Fair Campaign Practices Ord. (106653) to provide expenditure authrty from Election Campaign Acct to the Elections Administrator.
- C.F. 290471 - Documents on Seattle City Council deliberations regarding the Campaign Financing Ordinance.

Roll call vote below:

yes - Rexelle	Smith - yes	- E. McC. Admin.
no - Benson	Williams - yes	V. Egis
yes - Hildt	Kraebel - no	Mayor
yes - Sitonga		Doug Jewett
yes - Miller		LEK
no - Hill		Fraser

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 ENG.
 B. O.
 A. O.
 S. E.
 C. O.
 LIGHT

ORDINANCE 107773

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AN ORDINANCE relating to municipal elections; providing for the limitation of contributions to and expenditures for municipal election campaigns and establishing a system of partial financing for public election campaigns; amending Sections 2, 16 and 21 of Ordinance 106653 (Fair Campaign Practices Ordinance) and adding thereto new sections 13-A, 13-B, 13-C, 13-D, 13-E, 13-F, 13-G, 13-H, 13-I, 13-J, 13-K, 13-L and 13-M.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Ordinance 106653 is amended by adding thereto thirteen new sections designated 13-A through 13-M as follows:

Section 13-A. FINDINGS OF FACT. 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, City Attorney, City Comptroller and City Treasurer.

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, City Attorney, City Comptroller and City Treasurer.

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.

Section 13-B. APPLICATION. These Sections 13-A through 13-M apply only to candidates in any primary, general or special election for the offices of Mayor, City Council, City Attorney, City Comptroller and City Treasurer of the City of Seattle.

Section 13-C. CONTRIBUTIONS LIMITED.

(a) No person shall make a contribution of more than Two Hundred Fifty Dollars (\$250) to any candidate for Mayor, City Council, City Attorney, City Comptroller, or City Treasurer, in any campaign year; Provided, a group of ten or more individuals may contribute up to Five Hundred Dollars (\$500) to any candidate for

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1 Mayor, City Council, City Attorney, City Comptroller, or City Treasurer, in the
2 name of such group; Provided further, that no individual member of such group
3 shall contribute more than Two Hundred Fifty Dollars (\$250) toward the group
4 contribution, nor an aggregate amount of more than Two Hundred Fifty Dollars
5 (\$250) to any candidate whether through a group contribution or a personal
6 contribution.

7 (b) No candidate for Mayor, City Council, City Attorney, City Comptroller,
8 or City Treasurer shall accept or receive a campaign contribution of more than
9 Two Hundred Fifty Dollars (\$250) from any person or more than Five Hundred
10 Dollars (\$500) from any group of ten or more individuals in any campaign year;
11 provided,

12 (1) The limitations imposed by this section shall not apply to a can-
13 didate's contributions of his/her own resources to his/her own campaign; the limi-
14 tations imposed by this section shall apply to the contributions of all others; and

15 (2) The limitations imposed by this section shall not apply to inde-
16 pendent expenditures as defined by this ordinance; and

17 (3) The limitations imposed by this section shall not apply to the
18 value of in-kind labor.

19 Section 13-D. FINDINGS OF FACT. The City finds it is in the public
20 interest to encourage the widest participation of the public in the electoral pro-
21 cess, to reduce the dependence of candidates on large contributions, and to in-
22 crease public knowledge of the candidates and of election issues.

23 The City finds that it is in the public interest to free candidates from the
24 time expended in raising funds in order to increase the time available to the can-
25 didate for the discussion of public issues.

26 The City finds that voluntary campaign expenditure limitations coupled with
27 provisions of public funds for campaign purposes are necessary to further these
28 public interests at a reasonable cost to the City and that such a program should be
established.

Section 13-E. CAMPAIGN CONTRACT.

(a) A candidate for Mayor, City Council, City Attorney, City Comptroller

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1 or City Treasurer of the City may sign a contract with the City agreeing to abide
2 by limitations on candidates' contributions, limitations on campaign expenditures,
3 and limitations on the use of all contributions, as specified in this chapter in
4 exchange for public matching funds.

5 (b) The campaign contract must be signed by the individual candidate either
6 within thirty (30) days after the individual becomes a candidate as defined in
7 RCH 42.17.020, or at the time of filing for said office, whichever is earlier.

8 Section 13-F. CANDIDATES' CONTRIBUTION LIMITATIONS. A candidate who signs
9 a campaign contract shall make no contributions to his/her own campaign or political
10 committee which in the aggregate exceeds One Thousand Dollars (\$1,000) in any
11 campaign year.

12 Section 13-G. EXPENDITURE LIMITATIONS.

13 (a) A candidate who signs a campaign contract in accordance with Section 13-E,
14 shall not, during the campaign year, make expenditures exceeding the aggregate amount
15 of One Hundred Fifty Thousand Dollars (\$150,000) for the office of Mayor or Fifty
16 Thousand Dollars (\$50,000) for the offices of the City Council, City Attorney, City
17 Comptroller and City Treasurer; Provided, that no more than seventy-five percent
18 (75%) of the applicable expenditure limitation shall be spent through the day of
19 the primary election.

20 Independent expenditures, as defined by this ordinance shall not be included
21 in the computation of a candidate's expenditures.

22 Section 13-H. ELIGIBILITY REQUIREMENTS.

23 (a) To be eligible to receive public matching funds, a candidate for Mayor,
24 City Council, City Attorney, City Comptroller or City Treasurer must meet the
25 requirements of the City Charter; and during the campaign year,

26 (1) for the office of Mayor either (a) receive Twenty Thousand Dollars
27 (\$20,000) from at least one hundred (100) contributors or (b) receive three
28 hundred (300) contributions of Ten Dollars (\$10) or more;

(2) for the offices of City Council, City Attorney, City Comptroller
or City Treasurer either (a) receive Seventy-five Hundred Dollars (\$7,500) from at
least one hundred (100) contributors, or (b) receive two hundred (200) contributions
of Ten Dollars (\$10) or more.

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1 (b) For purposes of establishing eligibility under this section, only those
2 contributions received from residents of the City of Seattle shall be counted
3 toward the requirement.

4 (c) Candidates must submit evidence of meeting the eligibility requirements
5 of this section to the Office of Election Administration for verification.
6 Upon verification of eligibility, a candidate who has signed a campaign contract
7 shall be eligible to receive public matching funds; Provided, that no such funds
8 shall be disbursed to any qualified candidate prior to January 1 of the
9 applicable campaign year; and Provided further, that any candidate who receives
10 public matching funds and later fails to file for public office or withdraws his/her
11 candidacy after filing shall return to the Election Campaign Account an amount
12 equal to the public funds disbursed to that candidate.

13 Section 13-I. PUBLIC MATCHING FUNDS.

14 (a) A candidate who has met the eligibility requirements for public matching
15 funds and who has signed a campaign contract shall be entitled to receive one
16 dollar in public matching funds for each dollar received from any individual to a
17 maximum of \$50 per individual, Provided, that neither loans nor the transfers of
18 anything of value other than money to the candidate or his/her political committee
19 shall be matched with public funds.

20 (b) A candidate who signs a campaign contract shall be eligible to receive
21 public matching funds even if his/her opponent has not signed a campaign contract.

22 (c) A candidate who has signed a campaign contract is eligible to receive
23 public matching funds until it is determined that such candidate has no opponent
24 at the close of the filing period or after the primary election as provided by
25 law. For purposes of this section, a write-in candidate shall not be considered
26 an opponent.

27 (d) If following the election wherein the candidate is elected or defeated, the
28 candidate has unexpended campaign funds, one-half of such surplus shall be returned
29 to the Election Campaign Account within ten days of certification of the election.

30 (e) A candidate who has signed a campaign contract may void his/her contract
31 within 15 days after the close of filing, Provided, an opponent of that candidate
32 does not enter into a campaign contract pursuant to this ordinance; and Provided
33 further, that the candidate returns all public funds received pursuant to this
34 ordinance.

35 Section 13-J. FUNDING.

36 (a) There is hereby established an Election Campaign Account in the Gen-

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1 eral Fund into which shall be deposited such sums as may be appropriated from time
2 to time in the annual budget, gifts and donations made to the City for the support
3 of public election campaign financing, and such sums as may otherwise be appropriated
4 to said account. Money in said account shall be expended from time to time for the
5 purpose of partially financing public election campaigns.

6 (b) The Office of Election Administration may encourage and accept contri-
7 butions to the Election Campaign Account. These contributions may be accepted
8 at any time without limitation as to the amount.

9 Section 13-K. PERMITTED USE OF PUBLIC MATCHING FUNDS. Public matching funds
10 may be expended only for the receiving candidate's direct campaign purposes such
11 as, but not limited to, purchasing campaign literature or media space or time,
12 mailings, renting campaign headquarters, or paying for campaign headquarter telephones.
13 A candidate who signs a campaign contract may use neither contributions nor public
14 matching funds for indirect campaign purposes such as, but not limited to, providing
15 a candidate's personal support, or for donation to another's campaign. Permissibility
16 of an expenditure of public matching funds shall be determined by the Administrator
17 of the Office of Election Administration.

18 Section 13-L. TRANSITION. Candidates who receive contributions between
19 November 7, 1978, and January 1, 1979, and who wish to receive public matching
20 funds may apply such 1978 contributions toward meeting eligibility requirements for
21 public matching funds as though such funds were received in 1979; provided, that no
22 such contribution from an individual shall be deemed to have exceeded Two Hundred
23 Fifty Dollars (\$250), and no such contribution from a group shall be deemed to
24 have exceeded Five Hundred Dollars (\$500).

25 A candidate who wishes to qualify for public matching funds and who has con-
26 tributed more than \$1,000 of his/her own funds to his/her own 1979 campaign
27 between November 7, 1978, and January 1, 1979, may qualify only upon removing the
28 excess over \$1,000 of his/her own funds from his/her campaign fund, as well as
otherwise complying with the terms of this ordinance.

Section 13-M. As of November 15, 1982, Section 13-A through 13-M of this ordinance
are hereby repealed. On July 1, 1982, the Seattle City Council shall initiate
review of the operation of Sections 13-A through 13-M hereof and shall

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1 determine whether or not these sections have effectively served the public
2 purposes expressed therein.

3 Section 2. Section 2 of Ordinance 106653 is amended as follows:

4 Section 2. DEFINITIONS. ((a)) "Administrative Code" means the Adminis-
5 trative Code of The City of Seattle, Ordinance 102228 as amended.

6 ((b)) "Administrator" means the Administrator of the Office of Election
7 Administration of The City of Seattle.

8 ((c)) "Agency" means all offices, boards, departments, divisions, commissions
9 and similar subdivisions of The City of Seattle.

10 ((d)) "Ballot proposition" means any measure, question, initiative, referen-
11 dum, recall, or charter amendment submitted to, or proposed for submission to the
12 voters of the City.

13 ((e)) "Campaign depository" means a bank designated by a candidate or
14 political committee pursuant to Section 4 of this ordinance.

15 ((f)) "Campaign treasurer" and "deputy campaign treasurer" mean the in-
16 dividuals appointed by a candidate or political committee, pursuant to Section 4 of
17 this ordinance, to perform the duties specified in this ordinance.

18 "Campaign year" means that period beginning twelve (12) months before the
19 general election and ending when a campaign is officially closed, as determined by
20 the Office of Election Administration.

21 ((g)) "Candidate" means any individual who seeks election to public office in
22 The City of Seattle, whether or not successfully. An individual shall be deemed to
23 seek election when he or she first:

24 (1) Receives contributions or makes expenditures or reserves space or
25 facilities with intent to promote his or her candidacy for office; or

26 (2) Announced publicly or files for office.

27 ((h)) "Charter" means the Charter of The City of Seattle.

28 "City" means The City of Seattle.

((i)) "Commercial advertiser" means any person who sells the service of
communicating messages or producing printed material for broadcast or distribu-
tion to the general public or segments of the general public whether through the

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1 use of newspapers, magazines, television or radio stations, billboard companies,
2 direct mail advertising companies, printing companies, or otherwise.

3 ((j)) "Continuing political committee" means a political committee which is
4 an organization of continuing existence not established in anticipation of any
5 particular election.

6 ((k)) "Contribution" means a loan, loan guarantee, gift, deposit, subscription,
7 forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds
8 between political committees, or transfer of anything of value, including personal
9 and professional services, for less than full consideration, but does not include
10 interest on monies deposited in a political committee's account, ordinary home
11 hospitality, the rendering of "part time" personal services of the sort commonly
12 performed by volunteer campaign workers, or incidental expenses not in excess of
13 Twenty-five Dollars (\$25.00) personally paid for by a volunteer campaign worker.
14 For the purposes of this ordinance, the term "part time personal services" means
15 services in addition to regular full time employment or, in the case of an
16 unemployed person, services not in excess of twenty hours per week, excluding
17 weekends. For the purposes of this ordinance, contributions other than money or
18 its equivalents shall be deemed to have a money value equivalent to the fair market
19 value of the contribution. Sums paid for tickets to fund-raising events such as
20 dinners and parties are contributions; however, the amount of any such contribution
21 may be reduced for the purpose of complying with the reporting requirements of
22 this ordinance by the actual cost of consumables furnished in connection with the
23 purchase of such tickets, and only the excess over actual cost of such consumables
24 shall be deemed a contribution.

25 ((l)) "Elected official" means any person elected at a general or special
26 election to any public office of The City of Seattle and any person appointed to fill
27 a vacancy in any such office.

28 ((m)) "Election" includes any primary, general, or special election for public
office by The City of Seattle or any election in which a ballot proposition is sub-
mitted to the voters of the City; Provided, that an election in which the qualifica-
tions for voting include requirements other than those set forth in Article VI,

1 Section 1 (Amendment 63) of the Constitution of the State of Washington shall not
2 be considered an election for purposes of this ordinance.

3 ((n)) "Election campaign" means any campaign in support of or in opposition
4 to a candidate for election to public office of The City of Seattle and any campaign
5 in support of, or in opposition to, a ballot proposition.

6 ((o)) "Expenditure" means a payment, contribution, subscription, distribution,
7 loan, advance, deposit, or gift of money or anything of value, and includes a
8 contract, promise, or agreement, whether or not legally enforceable, to make an
9 expenditure. The term "expenditure" also includes a promise to pay; and a payment
10 or transfer of anything of value in exchange for goods, services, property,
11 facilities, or anything of value for the purpose of assisting, benefiting, or honoring
12 any public official or candidate, or assisting in furthering or opposing any election
13 campaign. For purposes of this ordinance, expenditures other than money or its
14 equivalent shall be deemed to have a monetary value equal to the fair market value
15 of the expenditure. The term "expenditure" shall not include: (1) the partial or
16 complete repayment by a candidate or political committee of the principal of a
17 loan, the receipt of which loan has been properly reported, or (2) payment of
18 service charges against a political committee's campaign account ~~(n)~~, or (3) the
19 value of in-kind labor, or (4) fines or any amounts returned to the Election
20 Campaign Account as a result of any penalties imposed on a candidate for violating
21 this ordinance.

20 ((p)) "Fair Campaign Practices Commission (FCPC)" means the Fair Cam-
21 paign Practices Commission established by Section 18 of this Ordinance.

22 "In-kind labor" means services provided by a person who volunteers all,
23 or a portion, of his/her time to a candidate's election campaign, and who is not paid
24 by any person for such services.

25 "Independent Expenditure" means expenditure on behalf of, or opposing
26 the election of, any candidate, when such expenditure is made independently of the
27 candidate, his/her political committee, or agent, and when such expenditure is
28 made without the prior consent, or the collusion, or the cooperation of the can-
didate or his/her agent or political committee.

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((q)) "Public Disclosure Commission (PDC)" means the Public Disclosure Commission established by RCW 42.17.350.

((r)) "Final report" means the report described as a final report in Section 9 of this ordinance.

((s)) "Person" means an individual, partnership, joint venture, public or private corporation, association, federal, state or local government entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.

((t)) "Political advertising" means any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.

((u)) "Political committee" means any person (except a candidate or an individual dealing with his own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

((v)) "Public office" means any elective office of The City of Seattle.

As used in this ordinance, the singular shall include the plural and conversely, and any gender, any other, as the context requires.

Section 3. Section 16 of Ordinance 106653 is amended to read as follows:

Section 16. ADMINISTRATOR -- DUTIES THEREOF. The executive head of the Office of Election Administration shall be the Administrator, whose office shall not be included in the classified Civil Service. The Administrator must have had employment experience as an auditor and shall be appointed by the FCPC. Each Administrator shall be appointed to an initial term of one year, subject to confirmation by a two-thirds vote of the members of the City Council, and may thereafter be re-appointed to subsequent four (4) year terms subject to a like vote. The Administrator shall be removed from that position only for cause and subject to a two-thirds vote of the City Council. The rate of compensation for such

1 position (~~its hereby fixed and established at a maximum of \$_____ per~~
2 ~~month~~) shall be as provided by the Salary Ordinance; Provided, that no ap-
3 pointment shall be made under the authority of this section except upon the filing
4 by the Civil Service Commission as a permanent record in the office of the City
5 Comptroller of its recommendation that such office, as a professional or adminis-
6 trative office or position similar to offices and positions designated in Article XVI,
7 Section 11 of the City Charter, should not be included in the classified Civil
8 Service.

9 The Administrator of the Office of Election Administration shall be respon-
10 sible for the management of said office, may in the exercise of such duties consult
11 with the Fair Campaign Practices Commission and in that connection is authorized
12 to:

13 (a) Adopt, promulgate, amend, and rescind suitable administrative rules and
14 regulations to carry out the policies and purposes of this ordinance, which rules and
15 regulations shall be promulgated pursuant to the provisions of the Administrative
16 Code (Ordinance 102228); Provided, that administrative rules and regulations
17 adopted by the PDC shall be applicable in the construction, interpretation and
18 implementation of such provisions of this ordinance as are substantially the same as
19 provisions of Ch. 42.17 RCW;

20 (b) Relieve, by published regulations of general applicability, candidates or
21 political committees of obligations to comply with the provisions of this ordinance
22 relating to election campaign, if they have not received contributions nor made
23 expenditures of more than One Thousand Dollars (\$1,000) in connection with any
24 election campaign; and

25 (c) Require that forms developed and prepared by the PDC be utilized for
26 the reports and statements required to be made under this ordinance; Provided,
27 that whenever the Administrator determines that any such form is not reasonably
28 appropriate for the purposes of this ordinance, he may develop and provide suitable
forms as are reasonably necessary, and require such forms to be utilized for such
purposes;

(d) Encourage persons required to make reports under this ordinance to use

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the PDC-published manual that sets forth recommended uniform methods of bookkeeping and reporting;

(e) Compile and maintain a current list of all filed reports and statements;

(f) Investigate whether properly completed statements and reports have been filed within the times required by this ordinance.

(g) Review all disclosure reports for completeness and internal consistency;

(h) Independently verify entries on disclosure reports and other forms selected on an arithmetically random basis;

(i) Prepare and publish, not less than ten days before newly elected officers take office, a report setting forth, as to each candidate who filed a final report, the amounts and sources of all contributions and the amounts and purposes of all expenditures set forth in such final report; and the names and addresses of any candidates who failed to file a final report or who filed an incomplete final report; and prepare and publish such other reports as in his judgment will tend to promote the purposes of this ordinance;

(j) Determine upon written complaint or upon his or her own initiative, in accordance with Section 17 of this ordinance, that a violation of this ordinance has occurred, and report such apparent violation to either the FCPC or the PDC; provided that the Administrator shall have the authority to resolve with the person who has apparently violated this ordinance, what the Administrator determines to be inadvertent, de minimus violations without referring the matter to the FCPC or the PDC for a hearing; provided further that the Administrator shall report violations to the PDC only in the event the FCPC is unable to hear the matter.

(k) Have access to reports filed with the City Comptroller in accordance with this ordinance and make copies thereof available at no charge for public inspection with duplicates available during regular office hours at a reasonable cost to the person requesting such duplicates.

(l) Keep, for a period of time not less than five years from the date of filing, copies of all official reports, records and statements furnished by the City Comptroller to the Administrator for public inspection.

(m) Review, four months prior to the beginning of any campaign year, the

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1 costs of campaigning, and recommend to the City Council whether or not Sections
2 13-C through 13-I should be amended.

3 (n) Determine whether the evidence submitted by a candidate for Mayor,
4 City Council, City Attorney, City Comptroller, and City Treasurer meets the
5 eligibility requirements for receiving public matching funds.

6 (o) Accept campaign contracts from candidates for Mayor, City Council,
7 City Attorney, City Comptroller or City Treasurer.

8 (p) Monitor contributions and expenditures of candidates, and notify can-
9 didates who are close to their voluntary expenditure limitations.

10 (q) Attempt to secure grants or other sources of funding for the Election
11 Campaign Account in the General Fund.

12 Section 4. Section 21 of Ordinance 106653 is amended to read as follows:

13 Section 21. CIVIL REMEDIES AND SANCTIONS. One or more of the
14 following civil remedies and sanctions may be imposed by court order in addition to
15 any other remedies provided by law:

16 (a) If the court finds that the violation of any provision of this ordinance by
17 any candidate or political committee probably affected the outcome of any
18 election, the result of said election may be held void and a special election held
19 within sixty days of such finding. Any action to void an election shall be com-
20 menced within one year of the date of the election in question. It is intended that
21 this remedy be imposed freely in all appropriate cases to protect the right of the
22 electorate to an informed and knowledgeable vote.

23 (b) The violation or failure to comply with the provisions of Sections 3, 4,
24 5, 6, 7, 8, 9, 10, 11, 12, or 13 (regarding campaign reporting), or Section 13-C
25 (regarding contribution limitations) of this ordinance constitutes a violation subject
26 to the provisions of Chapter 12A.01 and 12A.02 of the Seattle Criminal Code, and
27 any person convicted thereof may be punished by a civil fine or forfeiture in a sum
28 not exceeding Five Hundred Dollars (\$500) per violation.

(c) Any person who fails to comply with the conditions of his/her campaign
contract shall be ineligible to receive further such funds until in compliance. Any
candidate who exceeds the expenditure limitation for which he/she has contracted

1 shall immediately return to the Election Campaign Account three
2 dollars (\$3.00) for every one dollar (\$1.00) he/she has overspent
3 in that campaign year, to a maximum amount equal to the total
4 sum of public funds he/she has received.

5 ~~((b) The court may enjoin any person to prevent the doing~~
6 ~~of any act herein prohibited, or to compel the performance of any~~
7 ~~act required herein.~~

8 ~~(c) Any person who fails to report a contribution or ex-~~
9 ~~penditure may be subject to a civil penalty equivalent to the~~
10 ~~amount not exceeding Five Hundred Dollars (\$500) he or she failed~~
11 ~~to report.~~

12 ~~(d) Any person who violates any of the provisions of this~~
13 ~~ordinance may be subject to a civil penalty of not more than Two~~
14 ~~Hundred Fifty Dollars (\$250) for each such violation, PROVIDED,~~
15 ~~however, that any person responsible for the filing of a properly~~
16 ~~completed statement or report within the time required by this~~
17 ~~ordinance who fails to file a properly completed statement or~~
18 ~~report within such time may be subject to a civil penalty of~~
19 ~~Ten Dollars (\$10.00) per day for each day each such delinquency~~
20 ~~continues; AND PROVIDED FURTHER, that no individual penalty~~
21 ~~assessed pursuant to this subsection (d) of this section shall~~
22 ~~exceed Two Hundred Fifty Dollars (\$250), and in any case where~~
23 ~~multiple violations are involved in a single complaint or hearing~~
24 ~~the maximum aggregate penalty shall not exceed Five Hundred~~
25 ~~Dollars (\$500).)~~

26 Section 5. (EFFECTIVE DATE. This ordinance shall become
27 effective on January 1, 1979.
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(To be used for all Ordinances except Emergency.)

Section 6. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 6 day of November, 1978,
and signed by me in open session in authentication of its passage this 6 day of
November, 1978.

John Miller
President of the City Council.

Approved by me this 7 day of November, 1978.
Charles Roper
Mayor.

Filed by me this 7 day of November, 1978.

Attest: *E. L. Simon*
City Comptroller and City Clerk.

(SEAL)

Published.....

Rayne Engleme
Deputy Clerk.

March 27, 1989
0907C:SM:clt:mls

Introduced by: Ron Sims
Cynthia Sullivan
Proposed No.: 88 - 531

ORDINANCE NO. 8970

AN ORDINANCE relating to establishing limits on campaign contributions and creating voluntary program for matching public funds and establishing civil penalties for violations.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings of fact. A. The county finds that, in the interest of the public health, safety and welfare, it is necessary to safeguard the integrity of the political process. Therefore, the county election process and county government should be protected from undue influence by individuals and groups making large contributions to the election campaigns of candidates for executive, county council, and assessor.

B. The county finds that, in the interest of the public health, safety and welfare, it is necessary to safeguard the confidence in the political process. Therefore, the county election process and county government should be protected from even the appearance of undue influence by individuals or groups contributing to candidates for executive, county council, and assessor. The confidence of the public in a fair and democratic election process is vital. In the high cost of election campaigning, there can be the problem of improper influence, real or perceived, exercised by campaign contributors over elected officials. It is the policy of this county to foster broad-base citizen involvement in financing election campaigns.

1 C. The county therefore finds that limitations on
2 contributions of money, services and materials by individuals or
3 groups to county election campaigns should be imposed by law to
4 protect the public health, safety, welfare and the integrity of
5 the process. These limitations, however, should be reasonable,
6 so as not to discourage personal expression.

7 D. The county, therefore, finds it is in the public interest
8 to encourage the widest participation of the public in the
9 electoral process, to reduce the dependence of candidates on
10 large contributions and to increase public knowledge of the
11 candidates and of election issues. The county finds that
12 campaign expenditure limitations are in the best interest of the
13 public. Recognizing that public matching funds for campaign
14 purposes are necessary for voluntary expenditure limitations to
15 be successful and voluntary programs are the only limitations
16 constitutionally permissible, the Council finds a program of
17 public matching funds should be established.

18 SECTION 2. Definitions. For purposes of this ordinance the
19 following definitions shall apply:

20 A. "Campaign Year". "Campaign Year" means January 1 to
21 December 31, of the year an election is held for a county
22 elective office.

23 B. "Candidate". "Candidate" means any individual who seeks
24 election to a public office set out in Section 3 whether or not
25 successfully. An individual shall be deemed to be seeking
26 election when he or she first: receives contributions or makes
27 expenditures or reserves space or facilities with intent to
28 promote his candidacy for office, announces publicly or files for
29 office, whichever occurs first.

30 C. "Contribution". "Contribution" means a loan, loan
31 guarantee, gift, deposit, subscription, forgiveness of
32 indebtedness, donation, advance, pledge, payment, transfer of
33 funds between political committees, or transfer of anything of

1 value, including personal and professional services, for less
2 than full consideration. "Contribution" does not include
3 interest on moneys deposited in a political committee's account,
4 ordinary home hospitality, volunteer in-kind labor or incidental
5 expenses not in excess of twenty-five dollars personally paid for
6 by a volunteer campaign worker. For the purposes of this
7 ordinance, contributions other than money or its equivalents
8 shall be deemed to have a money value equivalent to the fair
9 market value of the contribution. Sums paid for tickets to
10 fundraising events such as dinners and parties are contributions;
11 however, the amount of any such contribution may be reduced for
12 the purpose of complying with the reporting requirements of this
13 ordinance by the actual cost of consumables furnished in
14 connection with the purchase of such tickets, and only the excess
15 over actual cost of such consumables shall be deemed a
16 contribution.

17 D. "Expenditure". "Expenditure" means a payment,
18 contribution, subscription, distribution, loan advance, deposit,
19 or gift of money or anything of value, and includes a contract,
20 promise, or agreement, whether or not legally enforceable, to
21 make an expenditure. "Expenditure" also includes a promise to
22 pay; and a payment or transfer of anything of value in exchange
23 for goods, services, property, facilities, or anything of value
24 for the purpose of assisting, benefiting or honoring any public
25 official or candidate, or assisting in furthering or opposing any
26 election campaign. For purposes of this ordinance, expenditures
27 other than money or its equivalent shall be deemed to have a
28 monetary value equal to the fair market value of the
29 expenditure. "Expenditure" shall not include:

30 1. The partial or complete repayment by a candidate or
31 political committee of the principal of a loan, the receipt of
32 which loan has been properly reported; or
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1 2. The value of in-kind labor; or

2 3. Fines paid as a result of any penalties imposed on a
3 candidate for violating this ordinance.

4 E. "Fair advertising". "Fair advertising" means any
5 publication, literature or media advertising, which bears the
6 clear and conspicuous identification of the sponsoring
7 candidate's name.

8 F. "In-kind Labor". "In-kind labor" means services provided
9 by a person who volunteers all or a portion of his/her time to a
10 candidate's election campaign, and who is not paid by any person
11 for such services.

12 G. "Independent Expenditure". "Independent expenditure"
13 means expenditure on behalf of, or opposing the election of, any
14 candidate, when such expenditure is made independently of the
15 candidate, his/her political committee, or agent, and when such
16 expenditure is made without the prior consent, or the collusion,
17 or the cooperation, of the candidate or his/her agent or
18 political committee.

19 H. "Outside Political Committee". "Outside political
20 committee" means political committees other than those authorized
21 by a single specific candidate for his/her campaign.

22 I. "Non-campaign year". "Non-campaign year" means any one
23 of three-years during the period beginning January 1 of the year
24 after an election for a county elective office.

25 J. "Person". "Person" means any individual, association,
26 corporation, candidate, committee, political committee, political
27 party, partnership or other entity.

28 K. "Political Committee". "Political committee" means any
29 person (except a candidate or an individual dealing with his own
30 funds or property) having the expectation of receiving
31 contributions or making expenditures in support of, or opposition
32 to, any candidate and which has also filed as political committee
33 pursuant to RCW 42.17.

1 L. "Political Party". "Political Party" shall mean a major
2 political party or a new or minor party which is established
3 pursuant to RCW 29.42

4 SECTION 3. Application. These limits shall apply only to
5 candidates in any primary, general or special election for the
6 offices of King County executive, council, and assessor.

7 SECTION 4. Mandatory limitations on contributions.

8 A. No person shall make a contribution of more than three
9 hundred fifty dollars to any candidate for executive, county
10 council, or assessor, in any campaign year; provided, a political
11 committee may contribute up to one thousand dollars to any
12 candidate for executive, county council, or assessor in the name
13 of such group; provided further, that no person shall knowingly
14 contribute more than three hundred fifty dollars in aggregate to
15 any such candidate, in any campaign year, including contributions
16 to outside political committees except political parties, which
17 contribute to candidates for the above county offices.

18 B. No person shall contribute more than \$100 during any
19 non-campaign year to any candidate for executive, county council,
20 or assessor.

21 C. No candidate for executive, county council, or assessor
22 shall accept or receive a campaign contribution of more than
23 three hundred fifty dollars from any person or more than one
24 thousand dollars from any political committee in any campaign
25 year nor shall any such candidate accept or receive a campaign
26 contribution of more than \$100 from any person during a
27 non-campaign year;

28 D. The limitations imposed by this section shall not apply
29 to:

30 1. A candidate's contributions of his/her own resources to
31 his/her own campaign; the limitations imposed by this section
32 shall apply to the contributions of all others; and
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1 2. Independent expenditures as defined by this chapter; an

2 3. The value of in-kind labor.

3 SECTION 5. Charter Amendment. This ordinance shall be
4 effective upon the adoption, on or before January 1, 1990 by the
5 voters of King County, of an amendment to the King County Charter
6 authorizing and requiring the King County Council to establish by
7 ordinance a system of campaign contribution limitations and
8 voluntary limitations on campaign expenditures with public
9 matching funds.

10 SECTION 6. Campaign contract. A. Effective with elections
11 for county officers in 1991, a candidate for executive, county
12 council, or assessor may sign a contract with the county agreeing
13 to abide by limitations on candidates' contributions, limitations
14 on campaign expenditures, and limitations on the use of all
15 contributions as specified in this chapter in exchange for public
16 matching funds.

17 B. The campaign contract must be signed by the individual
18 candidate either within thirty days after the individual becomes
19 a candidate as defined in RCW 42.17.020, or at the time of filing
20 for said office, whichever is earlier.

21 SECTION 7. Candidates' contribution limitations. A
22 candidate who signs a campaign contract shall make no
23 contribution to his/her own campaign or political committee which
24 in the aggregate exceeds ten percent of the applicable
25 expenditure limit in any campaign year.

26 SECTION 8. Expenditure limitations. A. A candidate for
27 county council who signs a campaign contract in accordance with
28 Section 6 shall not, during the campaign year, make expenditures
29 exceeding the aggregate amount of the annual salary of the office
30 which the candidate is seeking, calculated for the year of the
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election. A candidate for executive, or assessor who signs a campaign contract in accordance with Section 6 shall not, during the campaign year, make expenditures exceeding three times the aggregate amount of the annual salary of the office for which the candidate is seeking.

B. Independent expenditures, as defined by this chapter, shall not be included in the computation of a candidate's expenditures.

SECTION 9. Eligibility for public matching funds.

A. To be eligible to receive public matching funds, a candidate for executive, county council, or assessor must meet the legal requirements of the office as established by statute or the county charter and,

1. For the office of executive:

a. Receive five hundred contributions of ten dollars or more during the campaign year, and

b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$45,000 or more.

2. For the office of the assessor:

a. Receive five hundred contributions of ten dollars or more during the campaign year; and

b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$30,000.

3. For the office of county council:

a. Receive two hundred contributions of ten dollars or more during the campaign year, and

b. Be opposed by a candidate who has qualified for public matching funds or who has raised, spent or has cash on hand of \$10,000 or more.

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1 B. For the purposes of establishing eligibility under this
2 section, only those contributions received from residents of the
3 county shall be counted toward the requirement.

4 C. Candidates must submit evidence of meeting the
5 eligibility requirements of this section to the director of the
6 department of executive administration or his or her designee for
7 verification. Upon verification of eligibility, a candidate who
8 has signed a campaign contract shall be eligible to receive
9 public matching funds; provided that any candidate who receives
10 public matching funds and later fails to file for public office
11 or withdraws his/her candidacy after filing, shall return to the
12 appropriate county account any of the unexpended campaign funds
13 up to the amount of the matching public funds disbursed to that
14 candidate.

15 SECTION 10. Public matching funds - specifications.

16 A. Effective with elections for county offices in 1991 a
17 candidate who has met the eligibility requirements for public
18 matching funds and who has signed a campaign contract shall be
19 entitled to receive one dollar in public matching funds for every
20 one dollar received from any resident of King County during the
21 campaign year to a maximum public match of fifty dollars per
22 individual contributor. Neither loans nor the transfers of
23 anything of value other than money to the candidate or his/her
24 political committee shall be matched with public funds.

25 B. A candidate who signs a campaign contract who otherwise
26 is eligible to receive public matching funds shall be eligible
27 until it is determined that such candidate has no opponent at the
28 close of the filing period or after the primary election as
29 provided by law. For purposes of this section, a write-in
30 candidate shall not be considered an opponent.
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1 C. If following the election wherein the candidate is
2 elected or defeated, the candidate has unexpended campaign funds,
3 one-half of such surplus but not to exceed the amount of public
4 matching funds received, shall be returned to the appropriate
5 county account within ten days of certification of the election.

6 D. A candidate who has signed a campaign contract may void
7 his/her contract within fifteen days after the close of filing;
8 provided, an opponent of that candidate does not enter into a
9 campaign contract pursuant to this chapter and provided further,
10 that the candidate returns all public funds received pursuant to
11 this chapter.

12 SECTION 11. Payment of matching funds.

13 A. There is hereby established in the county treasury a
14 campaign matching fund account into which shall be deposited
15 whatever sums the county may receive or allocate from time to
16 time or during the annual budget process for campaign matching
17 purposes.

18 B. Candidates entitled to public matching funds shall be
19 paid upon submission of vouchers which shall be approved by the
20 director of executive administration or his or her designee.

21 SECTION 12. Permitted uses of public matching funds. Public
22 matching funds may be expended only for the receiving candidate's
23 direct campaign purposes such as, but not limited to, purchasing
24 campaign literature or media space or time, mailings, renting
25 campaign headquarters, or paying for campaign headquarters'
26 telephones. All use of public matching funds for advertising
27 expenditures including the costs of production, distribution and
28 purchase of media space or air time, shall meet the requirements
29 of the fair advertising definition. A candidate who signs a
30 campaign contract may not use matching funds for indirect
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1 campaign purposes such as, but not limited to, providing a
2 candidate's personal support or for donation to another's
3 campaign. Permissibility of an expenditure of public matching
4 funds shall be determined by the director of the department of
5 executive administration or his or her designee.

6 SECTION 13. Penalties. The violation or failure to comply
7 with the provisions of this ordinance shall constitute a civil
8 violation for which a monetary fine of up to one thousand dollars
9 shall be assessed. Each violation shall be a separate violation
10 and shall be subject to the fine. An action seeking to establish
11 the fact of a violation and imposition of a monetary fine under
12 this section shall be commenced with the assistance of the county
13 prosecuting attorney.

14 SECTION 14. Effective date.

15 A. This ordinance shall become effective on January 1, 1990.

16 B. After the general election of November 1993 the county
17 council shall analyze the results of the elections under this
18 ordinance and prior to May 1, 1994 shall either re-enact this
19 ordinance with or without modifications or the provisions of this
20 ordinance shall expire on May 1, 1994.

21 SECTION 15. Severability. Should any section, subsection,
22 paragraph, sentence, clause or phrase of this ordinance be
23 declared unconstitutional or invalid for any reason, such
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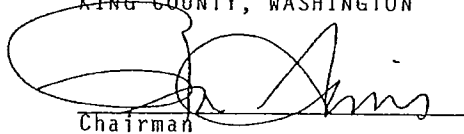
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1 decision shall not affect the validity of the remaining portion
2 of this ordinance.

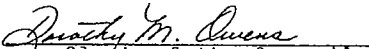
3 INTRODUCED AND READ for the first time this 11th day
4 of July, 1988.

5 PASSED this 22nd day of May, 1989.

6
7 KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

8 
9
10 Chairman

11 ATTEST:

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13 
14 Clerk of the Council

15 APPROVED this _____ day of _____, 1989.

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PREPARED AND FORWARDED
ON _____
DATED: 6/2/89

King County Executive

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King County Executive
TIM HILL

400 King County Courthouse
516 Third Avenue
Seattle, Washington 98104
(206) 296-4040

June 2, 1989

The Honorable Ron Sims, Chair
King County Council
Room 402
C O U R T H O U S E

RE: Ordinance 8970

I am returning Ordinance 8970 to the Council without my signature.

I agree with the intent of the Ordinance, to encourage broad-based citizen involvement in the election process. I am, however, philosophically opposed to spending public tax money on political campaigns.

Sincerely,

A handwritten signature in cursive script that reads "Tim Hill".

Tim Hill
King County Executive

Attachment

cc: King County Councilmembers
ATTN: Cal Hoggard, Program Director
Jerry Peterson, Council Administrator



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HOUSE INITIATIVE 134
to the Washington State Legislature

Chapter 2, Laws of 1993

FAIR CAMPAIGN PRACTICES ACT

Approved by the
People of the State of Washington
in the General Election on
November 3, 1992

ORIGINALLY FILED

June 12, 1991

Secretary of State
State of Washington

1 AN ACT Relating to the regulation of political contributions and
2 campaign expenditures; amending RCW 42.17.095, 42.17.125, 42.17.510,
3 41.04.230, 42.17.180, 42.17.390, and 42.17.240; adding new sections
4 to chapter 42.17 RCW; creating new sections; repealing RCW
5 42.17.243; and prescribing penalties.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

7 **PART I**
8 **FINDINGS AND INTENT**

9 NEW SECTION. **Sec. 1.** FINDINGS. The people of the state of
10 Washington find and declare that:

11 (1) The financial strength of certain individuals or
12 organizations should not permit them to exercise a disproportionate
13 or controlling influence on the election of candidates.

14 (2) Rapidly increasing political campaign costs have led many
15 candidates to raise larger percentages of money from special
16 interests with a specific financial stake in matters before state

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1 government. This has caused the public perception that decisions of
2 elected officials are being improperly influenced by monetary
3 contributions.

4 (3) Candidates are raising less money in small contributions
5 from individuals and more money from special interests. This has
6 created the public perception that individuals have an insignificant
7 role to play in the political process.

8 NEW SECTION. **Sec. 2.** INTENT. By limiting campaign
9 contributions, the people intend to:

10 (1) Ensure that individuals and interest groups have fair and
11 equal opportunity to influence elective and governmental processes;

12 (2) Reduce the influence of large organizational contributors;
13 and

14 (3) Restore public trust in governmental institutions and the
15 electoral process.

16 **PART II**
17 **DEFINITIONS**

18 NEW SECTION. **Sec. 3.** DEFINITIONS. The definitions of RCW
19 42.17.020 apply to sections 4 through 19 of this act except as
20 modified by this section. Unless the context clearly requires
21 otherwise, the definitions in this section apply throughout sections
22 4 through 19 of this act.

23 (1) "Authorized committee" means the political committee
24 authorized by a candidate, or by the state official against whom
25 recall charges have been filed, to accept contributions or make
26 expenditures on behalf of the candidate or state official.

27 (2) "Bona fide political party" means:

28 (a) An organization that has filed a valid certificate of
29 nomination with the secretary of state under chapter 29.24 RCW; or

30 (b) The governing body of the state organization of a major
31 political party, as defined in RCW 29.01.090, which is the body
32 authorized by the charter or bylaws of the party to exercise

1 authority on behalf of the state party; or

2 (c) The county central committee or legislative district
3 committee of a major political party.

4 (3) "Candidate" means an individual seeking nomination for
5 election or seeking election to a state office. An individual is
6 deemed to be seeking nomination for election or seeking election
7 when the individual first:

8 (a) Announces publicly or files for the office;

9 (b) Purchases commercial advertising space or broadcast time to
10 promote his or her candidacy;

11 (c) Receives contributions or makes expenditures for facilities
12 with intent to promote his or her candidacy for the office; or

13 (d) Gives his or her consent to another person to take on
14 behalf of the individual any of the actions in (b) or (c) of this
15 subsection.

16 (4) "Caucus of the state legislature" means the caucus of
17 members of a major political party in the state house of
18 representatives or in the state senate.

19 (5)(a) "Contribution" includes a loan, gift, deposit,
20 subscription, forgiveness of indebtedness, donation, advance,
21 pledge, payment, transfer of funds between political committees, or
22 transfer of anything of value, including personal and professional
23 services for less than full consideration.

24 (b) Subject to further definition by the commission,
25 "contribution" does not include the following:

26 (i) Interest on money deposited in a political committee's
27 account;

28 (ii) Ordinary home hospitality;

29 (iii) A contribution received by a candidate or political
30 committee that is returned to the contributor within five business
31 days of the date on which it is received by the candidate or
32 political committee;

33 (iv) An expenditure or contribution earmarked for voter
34 registration, for absentee ballot information, for precinct
35 caucuses, for get-out-the-vote campaigns, for precinct judges or

1 inspectors, for sample ballots, or for ballot counting, all without
2 promotion of or political advertising for individual candidates;

3 (v) A news item, feature, commentary, or editorial in a
4 regularly scheduled news medium that is of primary interest to the
5 general public, that is in a news medium controlled by a person
6 whose primary business is that news medium, and that is not
7 controlled by a candidate or political committee;

8 (vi) An expenditure by a political committee for its own
9 internal organization or fund raising without direct association
10 with individual candidates;

11 (vii) An internal political communication primarily limited to
12 the contributors to a political party organization or political
13 action committee, or the officers, management staff, and
14 stockholders of a corporation or similar enterprise, or the members
15 of a labor organization or other membership organization;

16 (viii) The rendering of personal services of the sort commonly
17 performed by volunteer campaign workers, or incidental expenses
18 personally incurred by volunteer campaign workers not in excess of
19 fifty dollars personally paid for by the worker. "Volunteer
20 services," for the purposes of this section, means services or labor
21 for which the individual is not compensated by any person and that
22 are performed outside the individual's normal working hours; or

23 (ix) Legal or accounting services rendered to or on behalf of:

24 (A) A political party or caucus of the state legislature if the
25 person paying for the services is the regular employer of the person
26 rendering such services; or

27 (B) A candidate or an authorized committee if the person paying
28 for the services is the regular employer of the individual rendering
29 the services and if the services are solely for the purpose of
30 ensuring compliance with state election or public disclosure laws.

31 (c) Contributions other than money or its equivalent are deemed
32 to have a monetary value equivalent to the fair market value of the
33 contribution.

34 (d) Sums paid for tickets to fund-raising events such as
35 dinners and parties are contributions, except for the actual cost of

1 the consumables furnished at the event.

2 (e) An expenditure made by a person in cooperation,
3 consultation, or concert with, or at the request or suggestion of,
4 a candidate, a political committee, or their agents, is considered
5 to be a contribution to such candidate or political committee.

6 (f) The financing by a person of the dissemination,
7 distribution, or republication, in whole or in part, of broadcast,
8 written, graphic, or other form of political advertising prepared by
9 a candidate, a political committee, or its authorized agent, is
10 considered to be a contribution to the candidate or political
11 committee.

12 (6) "Election" means a primary or a general or special election
13 in which a candidate is on the ballot.

14 (7) "Election cycle" means the period beginning on the first
15 day of December after the date of the last previous general election
16 for the office that the candidate seeks and ending on November 30th
17 after the next election for the office. In the case of a special
18 election to fill a vacancy in an office, "election cycle" means the
19 period beginning on the day the vacancy occurs and ending on
20 November 30th after the special election.

21 (8) "General election" means the election that results in the
22 election of a person to a state office. It does not include a
23 primary.

24 (9) "Immediate family" means a candidates's spouse, and any
25 child, stepchild, grandchild, parent, stepparent, grandparent,
26 brother, half-brother, sister, or half-sister of the candidate and
27 the spouse of any such person and any child, stepchild, grandchild,
28 parent, stepparent, grandparent, brother, half-brother, sister, or
29 half-sister of the candidate's spouse and the spouse of any such
30 person.

31 (10) "Independent expenditure" means an "expenditure" as
32 defined in RCW 42.17.020 that has each of the following elements:

33 (a) It is made in support of or in opposition to a candidate
34 for office by a person who is not (i) a candidate for that office,
35 (ii) an authorized committee of that candidate for that office,

1 (iii) a person who has received the candidate's encouragement or
2 approval to make the expenditure, if the expenditure pays in whole
3 or in part for any political advertising supporting that candidate
4 or promoting the defeat of any other candidate or candidates for
5 that office, or (iv) a person with whom the candidate has
6 collaborated for the purpose of making the expenditure, if the
7 expenditure pays in whole or in part for any political advertising
8 supporting that candidate or promoting the defeat of any other
9 candidate or candidates for that office;

10 (b) The expenditure pays in whole or in part for any political
11 advertising that either specifically names the candidate supported
12 or opposed, or clearly and beyond any doubt identifies the candidate
13 without using the candidate's name; and

14 (c) The expenditure, alone or in conjunction with another
15 expenditure or other expenditures of the same person in support of
16 or opposition to that candidate, has a value of five hundred dollars
17 or more. A series of expenditures, each of which is under five
18 hundred dollars, constitutes one independent expenditure if their
19 cumulative value is five hundred dollars or more.

20 (11)(a) "Intermediary" means an individual who transmits a
21 contribution to a candidate or committee from another person unless
22 the contribution is from the individual's employer, immediate
23 family, or an association to which the individual belongs.

24 (b) A treasurer or a candidate is not an intermediary for
25 purpose of the committee that the treasurer or candidate serves.

26 (c) A professional fund raiser is not an intermediary if the
27 fund raiser is compensated for fund-raising services at the usual
28 and customary rate.

29 (d) A volunteer hosting a fund-raising event at the
30 individual's home is not an intermediary for purposes of that event.

31 (12) "Person" includes:

32 (a) An individual;

33 (b) A partnership, limited partnership, public or private
34 corporation, or joint venture;

35 (c) A nonprofit corporation, organization, or association,

1 including but not limited to, a national, state, or local labor
2 union or collective bargaining organization and a national, state,
3 or local trade or professional association;

4 (d) A federal, state, or local governmental entity or agency,
5 however constituted;

6 (e) A candidate, committee, political committee, bona fide
7 political party, or executive committee thereof; and

8 (f) Any other organization or group of persons, however
9 organized.

10 (13) "Primary" means the procedure for nominating a candidate
11 to state office under chapter 29.18 or 29.21 RCW or any other
12 primary for an election which uses, in large measure, the procedures
13 established in chapter 29.18 or 29.21 RCW.

14 (14) "Recall campaign" means the period of time beginning on
15 the date of the filing of recall charges under RCW 29.82.015 and
16 ending thirty days after the recall election.

17 (15) "State legislative office" means the office of a member of
18 the state house of representatives and the office of a member of the
19 state senate.

20 (16) "State office" means state legislative office or the
21 office of governor, lieutenant governor, secretary of state,
22 attorney general, commissioner of public lands, insurance
23 commissioner, superintendent of public instruction, state auditor,
24 or state treasurer.

25 (17) "State official" means a person who holds a state office.

26 **PART III**
27 **CONTRIBUTIONS**

28 NEW SECTION. **Sec. 4. CAMPAIGN CONTRIBUTION LIMITS.** (1) No
29 person, other than a bona fide political party or a caucus of the
30 state legislature, may make contributions to a candidate for a state
31 legislative office that in the aggregate exceed five hundred dollars
32 or to a candidate for a state office other than a state legislative
33 office that in the aggregate exceed one thousand dollars for each

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1 election in which the candidate is on the ballot or appears as a
2 write-in candidate. Contributions made with respect to a primary
3 may not be made after the date of the primary. Contributions made
4 with respect to a general election may not be made after the final
5 day of the applicable election cycle.

6 (2) No person, other than a bona fide political party or a
7 caucus of the state legislature, may make contributions to a state
8 official against whom recall charges have been filed, or to a
9 political committee having the expectation of making expenditures in
10 support of the recall of the state official, during a recall
11 campaign that in the aggregate exceed five hundred dollars if for a
12 state legislative office or one thousand dollars if for a state
13 office other than a state legislative office.

14 (3)(a) Notwithstanding subsection (1) of this section, no bona
15 fide political party or caucus of the state legislature may make
16 contributions to a candidate during an election cycle that in the
17 aggregate exceed (i) fifty cents multiplied by the number of
18 eligible registered voters in the jurisdiction from which the
19 candidate is elected if the contributor is a caucus of the state
20 legislature or the governing body of a state organization, or (ii)
21 twenty-five cents multiplied by the number of registered voters in
22 the jurisdiction from which the candidate is elected if the
23 contributor is a county central committee or a legislative district
24 committee.

25 (b) No candidate may accept contributions from a county central
26 committee or a legislative district committee during an election
27 cycle that when combined with contributions from other county
28 central committees or legislative district committees would in the
29 aggregate exceed twenty-five cents times the number of registered
30 voters in the jurisdiction from which the candidate is elected.

31 (4)(a) Notwithstanding subsection (2) of this section, no bona
32 fide political party or caucus of the state legislature may make
33 contributions to a state official against whom recall charges have
34 been filed, or to a political committee having the expectation of
35 making expenditures in support of the state official, during a

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1 recall campaign that in the aggregate exceed (i) fifty cents
2 multiplied by the number of eligible registered voters in the
3 jurisdiction entitled to recall the state official if the
4 contributor is a caucus of the state legislature of the governing
5 body of a state organization, or (ii) twenty-five cents multiplied
6 by the number of registered voters in the jurisdiction from which
7 the candidate is elected if the contributor is a county central
8 committee or a legislative district committee.

9 (b) No state official against whom recall charges have been
10 filed, no authorized committee of the official, and no political
11 committee having the expectation of making expenditures in support
12 of the recall of a state official may accept contributions from a
13 county central committee or a legislative district committee or a
14 legislative district committee during an election cycle that when
15 combined with contributions from other county central committees or
16 legislative district committees would in the aggregate exceed
17 twenty-five cents multiplied by the number of registered voters in
18 the jurisdiction from which the candidate is elected.

19 (5) Notwithstanding subsections (1) through (4) of this
20 section, no person other than an individual, bona fide political
21 party, or caucus of the state legislature may make contributions
22 reportable under this chapter to a caucus of the state legislature
23 that in the aggregate exceed five hundred dollars in a calendar year
24 or to a bona fide political party that in the aggregate exceed two
25 thousand five hundred dollars in a calendar year. This subsection
26 does not apply to loans made in the ordinary course of business.

27 (6) For the purposes of sections 4 through 19 of this act, a
28 contribution to the authorized political committee of a candidate,
29 or of a state official against whom recall charges have been filed,
30 is considered to be a contribution to the candidate or state
31 official.

32 (7) A contribution received within the twelve-month period
33 after a recall election concerning a state office is considered to
34 be a contribution during that recall campaign if the contribution is
35 used to pay a debt or obligation incurred to influence the outcome

1 of that recall campaign.

2 (8) The contributions allowed by subsection (2) of this section
3 are in addition to those allowed by subsection (1) of this section,
4 and the contributions allowed by subsection (4) of this section are
5 in addition to those allowed by subsection (3) of this section.

6 (9) Sections 4 through 19 of this act apply to a special
7 election conducted to fill a vacancy in a state office. However,
8 the contributions made to a candidate or received by a candidate for
9 a primary or special election conducted to fill such a vacancy shall
10 not be counted toward any of the limitations that apply to the
11 candidate or to contributions made to the candidate for any other
12 primary or election.

13 (10) Notwithstanding the other subsections of this section, no
14 corporation or business entity not doing business in Washington
15 state, no labor union with fewer than ten members who reside in
16 Washington state, and no political committee that has not received
17 contributions of ten dollars or more from at least ten persons
18 registered to vote in Washington state during the preceding one
19 hundred eighty days may make contributions reportable under this
20 chapter to a candidate, to a state official against whom recall
21 charges have been filed, or to a political committee having the
22 expectation of making expenditures in support of the recall of the
23 official. This subsection does not apply to loans made in the
24 ordinary course of business.

25 (11) Notwithstanding the other subsections of this section, no
26 county central committee or legislative district committee may make
27 contributions reportable under this chapter to a candidate, state
28 official against whom recall charges have been filed, or political
29 committee having the expectation of making expenditures in support
30 of the recall of a state official if the county central committee or
31 legislative district committee is outside of the jurisdiction
32 entitled to elect the candidate or recall the state official.

33 (12) No person may accept contributions that exceed the
34 contribution limitations provided in this section.

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1 NEW SECTION. **Sec. 5.** ATTRIBUTION AND AGGREGATION OF FAMILY
2 CONTRIBUTIONS. (1) Contributions by a husband and wife are
3 considered separate contributions.

4 (2) Contributions by unemancipated children under eighteen
5 years of age are considered contributions by their parents and are
6 attributed proportionately to each parent. Fifty percent of the
7 contributions are attributed to each parent or, in the case of a
8 single custodial parent, the total amount is attributed to the
9 parent.

10 NEW SECTION. **Sec. 6.** ATTRIBUTION OF CONTRIBUTIONS BY
11 CONTROLLED ENTITIES. For purposes of this chapter:

12 (1) A contribution by a political committee with funds that
13 have all been contributed by one person who exercises exclusive
14 control over the distribution of the funds of the political
15 committee is a contribution by the controlling person.

16 (2) Two or more entities are treated as a single entity if one
17 of the two or more entities is a subsidiary, branch, or department
18 of a corporation or a local unit, branch, or affiliate of a trade
19 association, labor union, or collective bargaining association. All
20 contributions made by a person or political committee whose
21 contribution or expenditure activity is financed, maintained, or
22 controlled by a trade association, labor union, collective
23 bargaining organization, or the local unit of a trade association,
24 labor union, or collective bargaining organization are considered
25 made by the same person or entity.

26 NEW SECTION. **Sec. 7.** ATTRIBUTION OF CONTRIBUTIONS. All
27 contributions made by a person or entity, either directly or
28 indirectly, to a candidate, to a state official against whom recall
29 charges have been filed, or to a political committee, are considered
30 to be contributions from that person or entity to the candidate,
31 state official, or political committee, as are contributions that
32 are in any way earmarked or otherwise directed through an
33 intermediary or conduit to the candidate, state official, or

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1 political committee. For the purposes of this section, "earmarked"
2 means a designation, instruction, or encumbrance, whether direct or
3 indirect, expressed or implied, or oral or written, that is intended
4 to result in or does result in all or any part of a contribution
5 being made to a certain candidate or state official. If a conduit
6 or intermediary exercises any direction or control over the choice
7 of the recipient candidate or state official, the contribution is
8 considered to be by both the original contributor and the conduit or
9 intermediary.

10 NEW SECTION. **Sec. 8.** LIMITATIONS ON EMPLOYERS OR LABOR
11 ORGANIZATIONS. (1) No employer or labor organization may increase
12 the salary of an officer or employee, or give an emolument to an
13 officer, employee, or other person or entity, with the intention
14 that the increase in salary, or the emolument, or a part of it, be
15 contributed or spent to support or oppose a candidate, state
16 official against whom recall charges have been filed, political
17 party, or political committee.

18 (2) No employer or labor organization may discriminate against
19 an officer or employee in the terms or conditions of employment for
20 (a) the failure to contribute to, (b) the failure in any way to
21 support or oppose, or (c) in any way supporting or opposing a
22 candidate, ballot proposition, political party, or political
23 committee.

24 (3) No employer or other person or entity responsible for the
25 disbursement of funds in payment of wages or salaries may withhold
26 or divert a portion of an employee's wages or salaries for
27 contributions to political committees or for use as political
28 contributions except upon the written request of the employee. The
29 request must be made on a form prescribed by the commission
30 informing the employee of the prohibition against employer and labor
31 organization discrimination described in subsection (2) of this
32 section. The request is valid for no more than twelve months from
33 the date it is made by the employee.

34 (4) Each person or entity who withholds contributions under

1 subsection (3) of this section shall maintain open for public
2 inspection for a period of no less than three years, during normal
3 business hours, documents and books of accounts that shall include
4 a copy of each employee's request, the amounts and dates funds were
5 actually withheld, and the amounts and dates funds were transferred
6 to a political committee. Copies of such information shall be
7 delivered to the commission upon request.

8 NEW SECTION. **Sec. 9.** CHANGING MONETARY LIMITS. At the
9 beginning of each even-numbered calendar year, the commission shall
10 increase or decrease all dollar amounts in this chapter based on
11 changes in economic conditions as reflected in the inflationary
12 index used by the commission under RCW 42.17.370. The new dollar
13 amounts established by the commission under this section shall be
14 rounded off by the commission to amounts as judged most convenient
15 for public understanding and so as to be within ten percent of the
16 target amount equal to the base amount provided in this chapter
17 multiplied by the increase in the inflationary index since the
18 effective date of this act.

19 NEW SECTION. **Sec. 10.** CONTRIBUTIONS FROM BEFORE EFFECTIVE
20 DATE OF ACT. Contributions made and received before the effective
21 date of this act are considered to be contributions under sections
22 4 through 19 of this act. Monetary contributions that exceed the
23 contribution limitations and that have not been spent by the
24 recipient of the contribution by the effective date of this act must
25 be disposed of in accordance with RCW 42.17.095.

26 NEW SECTION. **Sec. 11.** TIME LIMIT FOR STATE OFFICIAL TO
27 SOLICIT OR ACCEPT CONTRIBUTIONS. During the period beginning on the
28 thirtieth day before the date a regular legislative session convenes
29 and continuing thirty days past the date of final adjournment, and
30 during the period beginning on the date a special legislative
31 session convenes and continuing through the date that session
32 adjourns, no state official or a person employed by or acting on

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1 behalf of a state official or state legislator may solicit or accept
2 contributions to a public office fund, to a candidate or authorized
3 committee, or to retire a campaign debt.

4 NEW SECTION. **Sec. 12.** RESTRICTION ON LOANS. (1) A loan is
5 considered to be a contribution from the maker and the guarantor of
6 the loan and is subject to the contribution limitations of this
7 chapter.

8 (2) A loan to a candidate or the candidate committee must be by
9 written agreement.

10 (3) The proceeds of a loan made to a candidate:

11 (a) By a commercial lending institution;

12 (b) Made in the regular course of business;

13 (c) On the same terms ordinarily available to members of the
14 public; and

15 (d) That is secured or guaranteed,

16 are not subject to the contribution limits of this chapter.

17 NEW SECTION. **Sec. 13.** CONTRIBUTIONS ON BEHALF OF ANOTHER.
18 (1) A person, other than an individual, may not be an intermediary
19 or an agent for a contribution.

20 (2) An individual may not make a contribution on behalf of
21 another person or entity, or while acting as the intermediary or
22 agent of another person or entity, without disclosing to the
23 recipient of the contribution both his or her full name, street
24 address, occupation, name of employer, if any, or place of business
25 if self-employed, and the same information for each contributor for
26 whom the individual serves as intermediary or agent.

27 NEW SECTION. **Sec. 14.** CERTAIN CONTRIBUTIONS REQUIRED TO BE BY
28 WRITTEN INSTRUMENT. (1) An individual may not make a contribution
29 of more than fifty dollars, other than an in-kind contribution,
30 except by a written instrument containing the name of the donor and
31 the name of the payee.

32 (2) A committee may not make a contribution, other than in-

1 kind, except by a written instrument containing the name of the
2 donor and the name of the payee.

3 NEW SECTION. **Sec. 15.** SOLICITATION OF CONTRIBUTIONS BY
4 GOVERNMENT EMPLOYEES. (1) No state official or state official's
5 agent may knowingly solicit, directly or indirectly, a contribution
6 from an employee in the state official's agency.

7 (2) No state official or state employee may provide an
8 advantage or disadvantage to an employee or applicant for employment
9 in the classified civil service concerning the applicant's or
10 employee's:

11 (a) Employment;

12 (b) Conditions of employment; or

13 (c) Application for employment,

14 based on the employee's or applicant's contribution or promise to
15 contribute or failure to make a contribution or contribute to a
16 political party or committee.

17 NEW SECTION. **Sec. 16.** AGENCY SHOP FEES AS CONTRIBUTIONS. A
18 labor organization may not use agency shop fees paid by an
19 individual who is not a member of the organization to make
20 contributions or expenditures to influence an election or to operate
21 a political committee, unless affirmatively authorized by the
22 individual.

23 NEW SECTION. **Sec. 17.** SOLICITATION FOR ENDORSEMENT FEES. A
24 person or entity may not solicit from a candidate, committee,
25 political party, or other person or entity money or other property
26 as a condition or consideration for an endorsement, article, or
27 other communication in the news media promoting or opposing a
28 candidate, committee, or political party.

29 NEW SECTION. **Sec. 18.** REIMBURSEMENT FOR CONTRIBUTIONS. A
30 person or entity may not, directly or indirectly, reimburse another
31 person or entity for a contribution to a candidate, committee, or

1 political party.

2 NEW SECTION. **Sec. 19.** PROHIBITION ON USE OF CONTRIBUTIONS FOR
3 A DIFFERENT OFFICE. (1) Except as provided in subsection (2) of
4 this section, a candidate committee may not use or permit the use of
5 contributions solicited for or received by the candidate committee
6 to further the candidacy of the individual for an office other than
7 the office designated on the statement of organization. A
8 contribution solicited for or received on behalf of the candidate is
9 considered solicited or received for the candidacy for which the
10 individual is then a candidate if the contribution is solicited or
11 received before the general elections for which the candidate is a
12 nominee or is unopposed.

13 (2) With the written approval of the contributor, a candidate
14 committee may use or permit the use of contributions solicited for
15 or received by the candidate committee from that contributor to
16 further the candidacy of the individual for an office other than the
17 office designated on the statement of organization.

18 **Sec. 20.** TRANSFER OF FUNDS--USE OF FUNDS FOR OTHER OFFICE
19 ELIMINATED. RCW 42.17.095 and 1982 c 147 s 8 are each amended to
20 read as follows:

21 The surplus funds of a candidate, or of a political committee
22 supporting or opposing a candidate, may only be disposed of in any
23 one or more of the following ways:

24 (1) Return the surplus to a contributor in an amount not to
25 exceed that contributor's original contribution;

26 (2) Transfer the surplus to the candidate's personal account as
27 reimbursement for lost earnings incurred as a result of that
28 candidate's election campaign. Such lost earnings shall be
29 verifiable as unpaid salary or, when the candidate is not salaried,
30 as an amount not to exceed income received by the candidate for
31 services rendered during an appropriate, corresponding time period.
32 All lost earnings incurred shall be documented and a record thereof
33 shall be maintained by the candidate or the candidate's political

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1 committee. The committee shall include a copy of such record when
2 its expenditure for such reimbursement is reported pursuant to RCW
3 42.17.090;

4 (3) Transfer the surplus to (~~one or more candidates or to~~) a
5 political (~~committee or~~) party or to a caucus of the state
6 legislature;

7 (4) Donate the surplus to a charitable organization registered
8 in accordance with chapter 19.09 RCW;

9 (5) Transmit the surplus to the state treasurer for deposit in
10 the general fund; or

11 (6) Hold the surplus in the campaign depository or depositories
12 designated in accordance with RCW 42.17.050 for possible use in a
13 future election campaign(~~, for political activity, for community~~
14 ~~activity, or for nonreimbursed public office related expenses~~) for
15 the same office last sought by the candidate and report any such
16 disposition in accordance with RCW 42.17.090: PROVIDED, That if the
17 candidate subsequently announces or publicly files for office,
18 information as appropriate is reported to the commission in
19 accordance with RCW 42.17.040 through 42.17.090. If a subsequent
20 office is not sought the surplus held shall be disposed of in
21 accordance with the requirements of this section.

22 (7) No candidate or authorized committee may transfer funds to
23 any other candidate or other political committee.

24 **Sec. 21.** CANDIDATE PERSONAL FUND LOANS LIMITED. RCW 42.17.125
25 and 1989 c 280 s 12 are each amended to read as follows:

26 Contributions received and reported in accordance with RCW
27 42.17.060 through 42.17.090 may only be transferred to the personal
28 account of a candidate, or of a treasurer or other individual or
29 expended for such individual's personal use under the following
30 circumstances:

31 (1) Reimbursement for or loans to cover lost earnings incurred
32 as a result of campaigning or services performed for the committee.
33 Such lost earnings shall be verifiable as unpaid salary, or when the
34 individual is not salaried, as an amount not to exceed income

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1 received by the individual for services rendered during an
2 appropriate, corresponding time period. All lost earnings incurred
3 shall be documented and a record thereof shall be maintained by the
4 individual or the individual's political committee. The committee
5 shall include a copy of such record when its expenditure for such
6 reimbursement is reported pursuant to RCW 42.17.090.

7 (2) Reimbursement for direct out-of-pocket election campaign
8 and postelection campaign related expenses made by the individual.
9 To receive reimbursement from the political committee, the
10 individual shall provide the committee with written documentation as
11 to the amount, date, and description of each expense, and the
12 committee shall include a copy of such information when its
13 expenditure for such reimbursement is reported pursuant to RCW
14 42.17.090.

15 (3) Repayment of loans made by the individual to political
16 committees, which repayment shall be reported pursuant to RCW
17 42.17.090. However, contributions may not be used to reimburse a
18 candidate for loans totaling more than three thousand dollars made
19 by the candidate to the candidate's own authorized committee or
20 campaign.

21 **PART IV**

22 **INDEPENDENT EXPENDITURES**

23 **Sec. 22.** INDEPENDENT EXPENDITURE ADVERTISING DISCLOSURE. RCW
24 42.17.510 and 1984 c 216 s 1 are each amended to read as follows:

25 (1) All written political advertising, whether relating to
26 candidates or ballot propositions, shall include the sponsor's name
27 and address. All radio and television political advertising,
28 whether relating to candidates or ballot propositions, shall include
29 the sponsor's name. The use of an assumed name shall be unlawful.
30 The party with which a candidate files shall be clearly identified
31 in political advertising for partisan office.

32 (2) In addition to the materials required by subsection (1) of
33 this section, all political advertising undertaken as an independent

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1 expenditure by a person or entity other than a party organization
2 must include the following statement on the communication "NOTICE TO
3 VOTERS (Required by law): This advertisement is not authorized or
4 approved by any candidate. It is paid for by (name, address, city,
5 state)." If the advertisement is undertaken by a nonindividual,
6 then the following notation must also be included: "Top Five
7 Contributors," followed by a listing of the names of the five
8 persons or entities making the largest contributions reportable
9 under this chapter during the twelve-month period before the date of
10 the advertisement.

11 (3) The statements and listings of contributors required by
12 subsections (1) and (2) of this section shall:

13 (a) Appear on each page or fold of the written communication in
14 at least ten-point type, or in type at least ten percent of the
15 largest size type used in a written communication directed at more
16 than one voter, such as a billboard or poster, whichever is larger;

17 (b) Not be subject to the half-tone or screening process;

18 (c) Be in a printed or drawn box set apart from any other
19 printed matter; and

20 (d) Be clearly spoken on any broadcast advertisement.

21 (4) Political yard signs are exempt from the requirement of
22 subsections (1) and (2) of this section that the name and address of
23 the sponsor of political advertising be listed on the advertising.
24 In addition, the public disclosure commission shall, by rule, exempt
25 from the identification requirements of subsections (1) and (2) of
26 this section forms of political advertising such as campaign
27 buttons, balloons, pens, pencils, sky-writing, inscriptions, and
28 other forms of advertising where identification is impractical.

29 ((+3+)) (5) For the purposes of this section, "yard sign" means
30 any outdoor sign with dimensions no greater than eight feet by four
31 feet.

32 NEW SECTION. Sec. 23. INDEPENDENT EXPENDITURE DISCLOSURE. A
33 person or entity other than a party organization making an
34 independent expenditure by mailing one thousand or more identical or

1 nearly identical cumulative pieces of political advertising in a
2 single calendar year shall, within two working days after the date
3 of the mailing, file a statement disclosing the number of pieces in
4 the mailing and an example of the mailed political advertising with
5 the election officer of the county or residence for the candidate
6 supported or opposed by the independent campaign expenditure or, in
7 the case of an expenditure made in support of or in opposition to a
8 ballot proposition, the county of residence for the person making
9 the expenditure.

10 **PART V**

11 **USE OF PUBLIC FUNDS OR OFFICE FOR POLITICAL PURPOSES**

12 NEW SECTION. **Sec. 24.** Public funds, whether derived through
13 taxes, fees, penalties, or any other sources, shall not be used to
14 finance political campaigns for state or local office.

15 NEW SECTION. **Sec. 25. FRANKING PRIVILEGE LIMITED.** During the
16 twelve-month period preceding the expiration of a state legislator's
17 term in office, no incumbent to that office may mail to a
18 constituent at public expense a letter, newsletter, brochure, or
19 other piece of literature that is not in direct response to that
20 constituent's request for a response or for information. However,
21 one mailing mailed within thirty days after the start of a regular
22 legislative session and one mailing mailed within sixty days after
23 the end of a regular legislative session of identical newsletters to
24 constituents are permitted. A violation of this section constitutes
25 use of the facilities of a public office for the purpose of
26 assisting a campaign under RCW 42.17.130.

27 The house of representatives and senate shall specifically
28 limit expenditures per member for the total cost of mailings,
29 including but not limited to production costs, printing costs, and
30 postage.

31 **Sec. 26. STATE PAYROLL POLITICAL CHECK-OFF ELIMINATED. RCW**

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1 41.04.230 and 1988 c 107 s 19 are each amended to read as follows:

2 Any official of the state authorized to disburse funds in
3 payment of salaries and wages of public officers or employees is
4 authorized, upon written request of the officer or employee, to
5 deduct from the salaries or wages of the officers or employees, the
6 amount or amounts of subscription payments, premiums, contributions,
7 or continuation thereof, for payment of the following:

8 (1) Credit union deductions: PROVIDED, That the credit union
9 is organized solely for public employees: AND PROVIDED FURTHER,
10 That twenty-five or more employees of a single state agency or a
11 total of one hundred or more state employees of several agencies
12 have authorized such a deduction for payment to the same credit
13 union.

14 (2) Parking fee deductions: PROVIDED, That payment is made for
15 parking facilities furnished by the agency or by the department of
16 general administration.

17 (3) U.S. savings bond deductions: PROVIDED, That a person
18 within the particular agency shall be appointed to act as trustee.
19 The trustee will receive all contributions; purchase and deliver all
20 bond certificates; and keep such records and furnish such bond or
21 security as will render full accountability for all bond
22 contributions.

23 (4) Board, lodging or uniform deductions when such board,
24 lodging and uniforms are furnished by the state, or deductions for
25 academic tuitions or fees or scholarship contributions payable to
26 the employing institution.

27 (5) Dues and other fees deductions: PROVIDED, That the
28 deduction is for payment of membership dues to any professional
29 organization formed primarily for public employees or college and
30 university professors: AND PROVIDED, FURTHER, That twenty-five or
31 more employees of a single state agency, or a total of one hundred
32 or more state employees of several agencies have authorized such a
33 deduction for payment to the same professional organization.

34 (6) Labor or employee organization dues may be deducted in the
35 event that a payroll deduction is not provided under a collective

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1 bargaining agreement under the provisions of RCW 41.06.150:
2 PROVIDED, That twenty-five or more officers or employees of a single
3 agency, or a total of one hundred or more officers or employees of
4 several agencies have authorized such a deduction for payment to the
5 same labor or employee organization: PROVIDED, FURTHER, That labor
6 or employee organizations with five hundred or more members in state
7 government may have payroll deduction for employee benefit programs.

8 ~~(7) ((Voluntary deductions for political committees duly
9 registered with the public disclosure commission and/or the federal
10 election commission: PROVIDED, That twenty five or more officers or
11 employees of a single agency or a total of one hundred or more
12 officers or employees of several agencies have authorized such a
13 deduction for payment to the same political committee.~~

14 ~~(8))~~ Insurance contributions to the authority for payment of
15 premiums under contracts authorized by the state health care
16 authority.

17 Deductions from salaries and wages of public officers and
18 employees other than those enumerated in this section or by other
19 law, may be authorized by the director of financial management for
20 purposes clearly related to state employment or goals and objectives
21 of the agency and for plans authorized by the state health care
22 authority.

23 The authority to make deductions from the salaries and wages of
24 public officers and employees as provided for in this section shall
25 be in addition to such other authority as may be provided by law:
26 PROVIDED, That the state or any department, division, or separate
27 agency of the state shall not be liable to any insurance carrier or
28 contractor for the failure to make or transmit any such deduction.

29 **PART VI**

30 **POLITICAL EXPENDITURE AND CONTRIBUTION REPORTING**

31 **Sec. 27. INDEPENDENT EXPENDITURE ANNUAL REPORTING.** RCW
32 42.17.180 and 1990 c 139 s 4 are each amended to read as follows:

33 (1) Every employer of a lobbyist registered under this chapter

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