March 27, 1989 0907C:SM:clt:mls Ron Sims Introduced by: <u>Cynthia Sullivan</u>

Proposed No.:

88 - 531

 ORDINANCE NO. 8970AN ORDINANCE relating to establishing limits on campaign contributions and creating voluntary program for matchin

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, rea 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.

- C. The county therefore finds that limitations on contributions of money, services and materials by individuals or groups to county election campaigns should be imposed by law to protect the public health, safety, welfare and the integrity of the process. These limitations, however, should be reasonable, so as not to discourage personal expression.
- D. The county, therefore, finds it is in the public interest to encourage the widest participation of the public in the electoral process, to reduce the dependence of candidates on large contributions and to increase public knowledge of the candidates and of election issues. The county finds that campaign expenditure limitations are in the best interest of the public. Recognizing that public matching funds for campaign purposes are necessary for voluntary expenditure limitations to be successful and voluntary programs are the only limitations constitutionally permissible, the Council finds a program of public matching funds should be established.

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

- A. "Campaign Year". "Campaign Year" means January 1 to December 31, of the year an election is held for a county elective office.
- B. "Candidate". "Candidate" means any individual who seeks election to a public office set out in Section 3 whether or not successfully. An individual shall be deemed to be seeking election when he or she first: receives contributions or makes expenditures or reserves space or facilities with intent to promote his candidacy for office, announces publicly or files for office, whichever occurs first.
- C. "Contribution". "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of

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

- D. "Expenditure". "Expenditure" means a payment, contribution, subscription, distribution, loan advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay; and a payment or transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For purposes of this ordinance, expenditures other than money or its equivalent shall be deemed to have a monetary value equal to the fair market value of the expenditure. "Expenditure" shall not include:
- 1. The partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported; or

- 2. The value of in-kind labor; or
- 3. Fines paid as a result of any penalties imposed on a candidate for violating this ordinance.
- E. "Fair advertising". "Fair advertising" means any publication, literature or media advertising, which bears the clear and conspicuous identification of the sponsoring candidate's name.
- F. "In-kind Labor". "In-kind labor" means services provided by a person who volunteers all or a portion of his/her time to a candidate's election campaign, and who is not paid by any person for such services.
- G. "Independent Expenditure". "Independent expenditure" means expenditure on behalf of, or opposing the election of, any candidate, when such expenditure is made independently of the candidate, his/her political committee, or agent, and when such expenditure is made without the prior consent, or the collusion, or the cooperation, of the candidate or his/her agent or political committee.
- H. "Outside Political Committee". "Outside political committee" means political committees other than those authorized by a single specific candidate for his/her campaign.
- I. ,"Non-campaign year". "Non-campaign year" means any one of three-years during the period beginning January 1 of the year after an election for a county elective office.
- J. "Person". "Person" means any individual, association, corporation, candidate, committee, political party, partnership or other entity.
- K. "Political Committee". "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 and which has also filed as political committee pursuant to RCW 42.17.

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

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

SECTION 4. Mandatory limitations on contributions.

- A. No person shall make a contribution of more than three hundred fifty dollars to any candidate for executive, county council, or assessor, in any campaign year; provided, a political committee may contribute up to one thousand dollars to any candidate for executive, county council, or assessor in the name of such group; provided further, that no person shall knowingly contribute more than three hundred fifty dollars in aggregate to any such candidate, in any campaign year, including contributions to outside political committees except political parties, which contribute to candidates for the above county offices.
- B. No person shall contribute more than \$100 during any non-campaign year to any candidate for executive, county council, or assessor.
- C. No candidate for executive, county council, or assessor shall accept or receive a campaign contribution of more than three hundred fifty dollars from any person or more than one thousand dollars from any political committee in any campaign year nor shall any such candidate accept or receive a campaign contribution of more than \$100 from any person during a non-campaign year;
- D. The limitations imposed by this section shall not apply
- 1. A candidate's contributions of his/her own resources to his/her own campaign; the limitations imposed by this section shall apply to the contributions of all others; and

 2. Independent expenditures as defined by this chapter; an

3. The value of in-kind labor.

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

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

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

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

SECTION 8. Expenditure limitations. A. A candidate for county council who signs a campaign contract in accordance with Section 6 shall not, during the campaign year, make expenditures exceeding the aggregate amount of the annual salary of the office which the candidate is seeking, calculated for the year of the

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.

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

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

SECTION 10. Public matching funds - specifications.

- A. Effective with elections for county offices in 1991 a candidate who has met the eligibility requirements for public matching funds and who has signed a campaign contract shall be entitled to receive one dollar in public matching funds for ever one dollar received from any resident of King County during the campaign year to a maximum public match of fifty dollars per individual contributor. Neither loans nor the transfers of anything of value other than money to the candidate or his/her political committee shall be matched with public funds.
- B. A candidate who signs a campaign contract who otherwise is eligible to receive public matching funds shall be eligible until it is determined that such candidate has no opponent at th close of the filing period or after the primary election as provided by law. For purposes of this section, a write-in candidate shall not be considered an opponent.

- C. If following the election wherein the candidate is elected or defeated, the candidate has unexpended campaign funds, one-half of such surplus but not to exceed the amount of public matching funds received, shall be returned to the appropriate county account within ten days of certification of the election.
- D. A candidate who has signed a campaign contract may void his/her contract within fifteen days after the close of filing; provided, an opponent of that candidate does not enter into a campaign contract pursuant to this chapter and provided further, that the candidate returns all public funds received pursuant to this chapter.

SECTION 11. Payment of matching funds.

- A. There is hereby established in the county treasury a campaign matching fund account into which shall be deposited whatever sums the county may receive or allocate from time to time or during the annual budget process for campaign matching purposes.
- B. Candidates entitled to public matching funds shall be paid upon submission of vouchers which shall be approved by the director of executive administration or his or her designee.

SECTION 12. Permitted uses of public matching funds. Public matching funds may be expended only for the receiving candidate's direct campaign purposes such as, but not limited to, purchasing campaign literature or media space or time, mailings, renting campaign headquarters, or paying for campaign headquarters' telephones. All use of public matching funds for advertising expenditures including the costs of production, distribution and purchase of media space or air time, shall meet the requirements of the fair advertising definition. A candidate who signs a campaign contract may not use matching funds for indirect

campaign purposes such as, but not limited to, providing a candidate's personal support or for donation to another's campaign. Permissibility of an expenditure of public matching funds shall be determined by the director of the department of executive administration or his or her designee.

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

SECTION 14. Effective date.

- A. This ordinance shall become effective on January 1, 1990.
- B. After the general election of November 1993 the county council shall analyze the results of the elections under this ordinance and prior to May 1, 1994 shall either re-enact this ordinance with or without modifications or the provisions of this ordinance shall expire on May 1, 1994.

SECTION 15. Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, such

1	decision shall not affect the validity of the remaining portion
2	of this ordinance.
3	INTRODUCED AND READ for the first time this //+L day
4	of July, 198 <b>8</b> .
5	of July, 1988.  PASSED this 22nd day of May, 1989.
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7	KING COUNTY COUNCIL <del>KING CO</del> UNTY, WASHINGTON
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9	a m
10	Chairman
11	ATTEST:
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13	Quacky M. Quens Clark of the Council
14	J Creak of the country
15	APPROVED thisday of, 1989.
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18	King County Executive
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## King County Executive TIM HILL

400 King County Courthouse 516 Third Avenue Scattle, 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  $\ensuremath{\mathsf{my}}$  signature.

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

Sincerely,

Tim Hill

King County Executive

Attachment

cc: King County Councilmembers

ATTN: Cal Hoggard, Program Director

Jerry Peterson, Council Administrator