July 13, 1992 91-558.ORD (GN/LP:tc:th)

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Introduced by: \_\_\_Ron Sims

Proposed No.:

91 - 558

## ordinance no. 10473

AN ORDINANCE relating to limits on campaign contributions; providing new definitions and establishing revised limits on contributions; adding a new section to K.C.C. 1.05, amending Ordinance 8970, Sections 2, 4, 8, and 10, and K.C.C. 1.05.020, K.C.C. 1.05.040, K.C.C. 1.05.070, K.C.C. 1.05.090, and K.C.C. 1.05.100.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 8970, Section 2, and K.C.C. 1.05.020 are hereby amended to read as follows: Definitions. For purposes of this chapter the following definitions shall apply:

- A. (("Campaign year" means January 1 to December 31, of the year an election is held for a county elective office.))
- ((B.)) "Candidate" means any individual who seeks election to a public office set out in K.C.C. 1.05.030 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.
- ((E+)) B. "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 chapter, 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

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contributions; however, the amount of any such contribution may be reduced for the purpose of complying with the reporting requirements of this chapter 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.

- C. "Election cycle" means the period commencing on the day after the last prior election for the affected office until the date of the next election for said office. In the case of a newly created position, the election cycle shall be the period commencing on the date the position is created until the date of the election to fill the newly created position.
- D. "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 chapter, 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 chapter.
- E. "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" 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" 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" means political committees other than those authorized by a single specific candidate for his/her campaign.))
- H. "Own resources" means a candidate's personal funds or property; provided, however, that it shall not include:
- 1. a candidate's surplus campaign funds as defined in R.C.W. 42.17.020 from a prior campaign for an elected position, except for such surplus funds as have been transferred to a candidate's personal account pursuant to RCW 42.17.095(2).
- 2. excess campaign funds as defined in 2 U.S.C., Section 439(a) and 11 CFR, Section 113.2, or
- 3. contributions received for a campaign for any other office.
- ((I. "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.))
- ( $(\mathcal{F})$ ) <u>I</u>. "Person" means any individual, association, corporation, candidate, committee, political committee, political party, partnership or other entity.
- ((K)) J. "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

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candidate and which has also filed as a political committee pursuant to RCW 42.17.

- (( $\pm$ )) K. "Political party" shall mean a major political party or a new or minor party which is established pursuant to RCW 29.42.
- L. "Resident" means an individual natural person whose domicile is within the boundaries of King County.

SECTION 2. Ordinance 8970, Section 4 and K.C.C. 1.05.040 are hereby amended to read as follows: Mandatory limitations on contributions.

- ((No person shall make a contribution of more than Α. 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.)) No person shall make contributions during the election cycle totalling more than six hundred fifty dollars in the aggregate to any candidate for executive, county council or assessor, nor shall any political committee make contributions during the election cycle totalling more than one thousand dollars in the aggregate to any candidate for executive, county council or assessor.
- B. ((No person shall contribute more than \$100 during any non-campaign year to any candidate for executive, county council, or assessor.)) No candidate for executive, county council, or assessor shall accept or receive in an election cycle campaign contributions totalling more than six hundred fifty dollars in the aggregate from any person, nor shall any such candidate accept or receive in an election cycle campaign

aggregate from any political committee.

((C. No candidate for executive, county council, or

contributions totalling more than one thousand dollars in the

- ((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;
- $\Theta$ .)) <u>C.</u> The limitations imposed by this section shall not apply to:
- 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
- Independent expenditures as defined by this chapter;
  - 3. The value of in-kind labor((-)); and
- 4. Contributions to or expenditures from public office funds made consistent with the provisions of RCW Ch.42.17.243.
- D. Surplus campaign funds, as defined in RCW 42.17.030, from a candidate's prior campaign and contributions received by a candidate in connection with a campaign for another office may be used by that candidate for the candidate's current campaign only to the extent that such funds are derived from contributions that were within the dollar limitations imposed by this ordinance. If such funds are from a campaign not governed by this ordinance, a candidate may use only so much of each contribution previously received as would have been allowable as a contribution under this ordinance if it had applied to that campaign. The source of a candidate's surplus campaign funds shall be determined to be derived from the most recent contributions received by such candidate or that candidate's political committee which in total equal the amount of the surplus campaign funds.

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 SECTION 3. Ordinance 8970, Section 8 and K.C.C. 1.05.070 are hereby amended to read as follows: Expenditure limitations.

- A. A candidate for county council who signs a campaign contract in accordance with K.C.C. 1.05.050 shall not, during the ((eampaign year)) election cycle, make expenditures, including expenditures of any public matching funds received pursuant to this ordinance, 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 K.C.C. 1.05.050 shall not, during the ((eampaign year)) election cycle, make expenditures, including expenditures of any public matching funds received pursuant to this ordinance, 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 4. Ordinance 8970, Section 10 and K.C.C. 1.05.090 are hereby amended to read as follows: 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 every one dollar received from any resident of King County during the ((campaign year)) election cycle 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 the 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 <u>as</u> 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.

SECTION 5. Ordinance 8970, Section 11 AND K.C.C. 1.05.100 are hereby amended to read as follows: 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 who have signed a campaign contract and who qualify for ((entitled to)) public matching funds shall be paid within three working days ((upon)) after submission of a request for payment of matching funds ((vouchers which shall be approved by)) to the director of executive administration or his ((or)) / her designee.

C. The director of executive administration or his / her designee shall review requests by candidates for payment of matching funds for compliance with the provisions of K.C.C.

1.05, and approve or disapprove such requests for payment.

NEW SECTION SECTION 6. Authority to make rules. The County Council shall adopt by ordinance on or before October 5, 1992 rules necessary to implement and enforce the provisions of this ordinance. The director of executive administration or his / her designee shall assist the county council in the development of rules.

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SECTION 7. Effective date. This ordinance shall become effective on November 4, 1992.

SECTION 8. Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this chapter be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portion of this chapter.

INTRODUCED AND READ for the first time this \_\_\_\_\_\_ PASSED this 13th day of July KING COUNTY COUNCIL

KING COUNTY, WASHINGTON

APPROVED this \_\_\_\_

24<sup>th</sup> day of

King County Executive