

CITY OF SEATTLE
ORDINANCE 124212
COUNCIL BILL 117814

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

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

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18 WHEREAS, the Fair Campaign Practices Act enacted following the passage of Initiative 134 in
19 1992 prohibited the use of public funds to finance state and local political campaigns; and

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

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

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

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

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



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

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

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

7 Section 1. Findings

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

17 Section 2. Administration of the Campaign Financing Program

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

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

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

5 Subchapter V

6 ~~((Voluntary Expenditure Limitations))~~ Seattle Public Campaign Financing Program

7 Section 4. Added to Subchapter V of Chapter 2.04 of the Seattle Municipal Code are
8 Sections 2.04.400, 2.04.405, 2.04.410, 2.04.415 2.04.420, 2.04.422, 2.04.425, 2.04.430,
9 2.04.435, 2.04.440 2.04.445, 2.04.450, and 2.04.455 as follows:

10 2.04.400 Definitions.

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

12 “Campaign Program Fund” means the fund established as the repository for the levy
13 proceeds or other funds to support the Program;

14 “Cap” means maximum allowed Total Candidate Funds;

15 “Commission” means the Seattle Ethics and Elections Commission;

16 “Director” means the Executive Director of the Commission;

17 “Matchable Contribution” means a campaign contribution that is certified by the Director
18 as having met the requirements of 2.04.405;

19 “Matching Funds” means the public funds given by the City to a Participating Candidate;

20 “Participating Candidate” means a person who has been certified by the Director as
21 having met the requirements of 2.04.410;

22 “Participation Agreement” means a contract between a Participating Candidate and the
23 City of Seattle detailing the responsibilities of the parties to the agreement;

24 “Program” means the Seattle Public Campaign Financing Program;



1 “Statement of Intent” means a statement by a candidate of his or her intention to
2 participate in the Program; and

3 “Total Candidate Funds” means a candidate’s cash on hand plus expenditures plus debts
4 and obligations.

5 2.04.405 Matchable Contribution.

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

9 2.04.410 Program Eligibility.

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

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

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

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

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



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

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

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

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

11 2.04.415 Qualification Process.

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

15 2. The Director must certify eligible candidates who have timely filed to participate
16 in the Program within 15 days of the date on which the last of the conditions listed in SMC
17 2.04.410 is satisfied.

18 2.04.420 Program Structure.

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

21 B. Matching Funds. A Participating Candidate will be eligible for Matching Funds equal
22 to the value, up to \$50.00, of each Matchable Contribution times six, provided that the resulting
23 number may not exceed \$105,000 in the primary election and \$210,000 for the entire election. If
24 a candidate's Total Candidate Funds, when added to the Matching Funds calculated as provided
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1 for here, would exceed the applicable Cap, the Matching Funds are reduced until the Cap is not
2 exceeded.

3 2.04.422 Permissible Uses of Matching Funds.

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

9 B. Such public funds may not be used for:

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

22 2.04.425 Lifting of a Cap.

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



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

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

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

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

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

- 20 1. whether the communication clearly identifies one or more candidates;
21 2. whether the communication clearly expresses support for or opposition to one
22 or more candidates;
23 3. whether the communication clearly identifies and associates a candidate with a
24 position on an issue and urges voters to take a particular action;



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

3 5. any other factors deemed relevant by the Director.

4 2.04.430 Changes to the Program.

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

12 2.04.435 Disbursement of Funds.

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

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

3 2.04.440 Return of Funds.

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

11 2.04.445 Insufficient Funds.

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

16 2.04.450 Applicability

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

18 2.04.455 Penalties

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

- 21 A. Participating Candidates who violate applicable Caps will be subject to a penalty up
22 to the amount of the Matching Funds made available to the Candidate;
- 23 B. Participating Candidates who make expenditures in violation of section 2.04.422 are
24 subject to a fine of up to twice the amount of the expenditure.
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1 Section 5. Definitions. The following terms, when used and capitalized in this
2 ordinance, shall have definitions stated below:

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

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

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

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

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

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

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

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

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

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

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

6 Passed by the City Council the 24th day of June, 2013, and
7 signed by me in open session in authentication of its passage this
8 24th day of June, 2013.

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11 President _____ of the City Council

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13 Approved by me this 1st day of July, 2013.

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16 Michael McGinn, Mayor

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18 Filed by me this 2nd day of July, 2013.

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21 Monica Martinez Simmons, City Clerk

22 (Seal)

