

ORDINANCE No. 118569

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The City

**Council Bill No 111665**  
AN ORDINANCE relating to the Elections Code; amending, repealing, and adding numerous sections in chapter 2.04 of the Seattle Municipal Code.

Honorable President:

Your Committee on \_\_\_\_\_

to which was referred the within Council report that we have considered the same

COMPTROLLER FILE No. \_\_\_\_\_

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# The City of Seattle--Legislative Department

## REPORT OF COMMITTEE

Date Reported and Adopted

City President

Committee on

which was referred the within Council Bill No.

that we have considered the same and respectfully recommend that the same:

*Full Council vote 6-0*

Committee Chair

ORDINANCE 118569

AN ORDINANCE relating to the Elections Code; amending, repealing,  
and adding numerous sections in chapter 2.04 of the Seattle  
Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsections 7, 8, 13, and 21 of section 2.04.010 of the Seattle Municipal Code are amended as follows:

**2.04.010 Definitions.**

7. "Election cycle" means (a) in the case of a City general election, except as provided in (b.) below. ~~((or a special election to be held in conjunction with a City general election,))~~ that period that begins on the first day of May during the year following the previous general election for the office ~~((which))~~ the candidate is seeking and ends on the thirtieth day of April of the year following the general election for the office ~~((which))~~ the candidate is seeking; or (b) in the case of an ~~((special))~~ election to fill an ~~((vacancy in an office that is not held in conjunction with a general election))~~ unexpired term, "election cycle" means the period beginning on the earlier of the day the vacancy occurs or the day the impending vacancy is publicly announced and ending five (5) months after the ~~((special))~~ election.

8. "Candidate" means any individual who seeks election to public office in the City, whether or not successfully. An individual shall be deemed to seek election when he or she first:

a. Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office, or for the purposes of Subchapter IV ~~((SMC))~~ Seattle Municipal Code Sections 2.04.350 through 2.04.37((0))5 to promote his or her public office; or

1           b. Announces publicly or files for office; or

2           c. Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

3           d. Gives his or her consent to another person to take on behalf of the individual any of the actions  
4 in a. or c. of this subsection; or

5           e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking  
6 election to City office.

7           13. "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness of  
8 indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or  
9 transfer of anything of value, including personal and professional services, for less than full  
10 consideration, but does not include (a) interest on moneys deposited in a political committee's account,  
11 (b) ordinary home hospitality, (c) the rendering of legal or accounting services on behalf of a candidate  
12 or an authorized political committee but only to the extent that the services are for the purpose of  
13 ensuring compliance with City, County or State election or public disclosure laws; (d) the rendering of  
14 personal services of the sort commonly performed by volunteer campaign workers, ((or)) (e) incidental  
15 expenses personally incurred by campaign workers not in excess of Twenty-Five Dollars (\$25.00), in the  
16 aggregate, during the applicable period, personally paid for by a volunteer campaign worker((-)), or (f)  
17 an internal political communication primarily limited to the members of a political party organization or  
18 political committee, or to the officers, management staff, or stockholders of a corporation or similar  
19 enterprise, or to the members of a labor organization or other membership organization. For purposes of  
20 this definition, members are those who (i) regularly pay dues in exchange for benefits from the  
21 organization or (ii) are able to vote, directly or indirectly, for at least one member of the organization's  
22 governing board or (iii) adhere to a code of conduct, the violation of which may subject the members to

1 sanctions that could adversely affect their livelihood or (iv) participate in the organization's policy-  
2 formulating committees. For the purposes of this chapter, contributions other than money or its  
3 equivalents shall be deemed to have a money value equivalent to the fair market value of the  
4 contribution. Sums paid for tickets to fundraising events such as dinners and parties are contributions;  
5 however, the amount of any such contribution may be reduced for the purpose of complying with the  
6 reporting requirements of this chapter by the actual cost of consumables furnished in connection with the  
7 purchase of such tickets, and only the excess over actual cost of such consumables shall be deemed a  
8 contribution.

9 21. "Independent expenditure" means expenditure on behalf of, or opposing the election of, any  
10 candidate, or any City ballot proposition, when such expenditure is made independently of the candidate,  
11 his/her political committee, or agent, or of any ballot proposition committee or its officers or agents, and  
12 when such expenditure is made without the prior consent, or the collusion, or the cooperation, of the  
13 candidate or his/her agent or political committee((-)), or the ballot proposition committee or its officers  
14 or agents. An independent expenditure is made by a person on the earliest of the following events: (a)  
15 the person agrees with a vendor or provider of services to make an independent expenditure, or (b) the  
16 person incurs the obligation to make an independent expenditure, or (c) the person pays for an  
17 independent expenditure.

18 Section 2. Two new subsections are added to section SMC 2.04.010 of the Seattle Municipal  
19 Code as follows:

20 **2.04.010 Definitions.**

21 29. "Officer of a political committee" means the following persons: the treasurer, any person  
22 designated by the committee as an officer on the statement of organization filed with the City Clerk, and  
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1 any person who alone or in conjunction with other persons makes contribution, expenditure, strategic or  
2 policy decisions on behalf of the committee.

3 30. "Applicable period" means the following periods: (a) for a candidate or a candidate's  
4 authorized political committee, the election cycle; (b) for a ballot proposition political committee, from  
5 the time the campaign activity begins until the end of the period covered by the final report; and (c) for a  
6 continuing political committee, a single calendar year.

7 Section 3. Subsection 2.04.075B of the Seattle Municipal Code is amended as follows:

8 **2.04.075 Procedure - Charges and hearing**

9 B. The hearing before the Commission shall commence as promptly as practical and no later  
10 than the following:

11 1. If the Executive Director issues the charging document (~~((within))~~ between sixty (60)  
12 days immediately preceding and forty eight (48) hours immediately preceding seven o'clock a.m. (7:00  
13 a.m.) on the date of the ((an)) election ((in which the complainant or the person is charged)) to which the  
14 alleged conduct at issue is related, the hearing shall commence within ten (10) days of issue or half the  
15 time before the election, whichever is less, but in no event upon less than twenty-four (24) hours' notice,  
16 given pursuant to subsection C of this section, to the person charged and the public;

17 2. In all other cases, and in those cases in which the requirement in subsection (1.) for  
18 twenty-four (24) hours notice makes it impossible to commence the hearing within half the time before  
19 the election, the hearing shall commence within thirty (30) days from the date that the Executive  
20 Director issues the charging document;

21 3. The person charged and the Executive Director may, by mutual agreement, stipulate to  
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1 a later date for the hearing. The Commission may delay or continue a hearing in order to accommodate  
2 an attempt to make a settlement or for other good cause.

3 Section 4. A new section is added to Chapter 2.04 of the Seattle Municipal Code as follows:

4 **2.04.155 Electronic filing required - exemption.**

5 A. Each candidate or ballot proposition political committee that expects to receive or receives  
6 Twenty-Five Thousand Dollars (\$25,000) or more in aggregate contributions during the applicable  
7 period must file all reports required by this chapter with the City Clerk by electronic transmission of the  
8 required information. Each continuing political committee that expects to contribute or contributes or  
9 expects to make or makes independent expenditures of Twenty-Five Thousand Dollars (\$25,000) or  
10 more, in the aggregate during the applicable period, to candidates or candidate political committees or to  
11 ballot proposition political committees must file all reports required by this chapter with the City Clerk  
12 by electronic transmission of the required information. The electronic format of the filing and the  
13 method of transmission shall meet requirements designated in rules adopted by the Commission.

14 B. The effective date of the electronic filing requirements in this section shall be established by  
15 rule of the Commission, but shall in no event be sooner than May 10, 1998. The Commission may  
16 phase in this requirement, and shall base its rule on the determination of the Executive Director as to  
17 when compliance is practicable.

18 C. The Executive Director may exempt a candidate or a committee from the requirements of this  
19 section where the candidate or the committee has shown that the requirements constitute an undue  
20 burden.

1 Section 5. A new section is added to chapter 2.04 of the Seattle Municipal Code as follows:

2 **2.04.156 Electronic filing - certification**

3 All reports required by this chapter that are filed electronically shall be certified as true and  
4 correct by the treasurer and candidate in accordance with procedures specified in rules adopted by the  
5 Ethics and Elections Commission. A report not so certified shall be deemed not to have been filed.

6 Section 6. Subsection 2.04.160A of the Seattle Municipal Code is amended as follows:

7 **2.04.160 Political committees to file statement of organization.**

8 A. 1. Except as provided in A2. below, the officers of each ((Every)) political committee, ((within  
9 two (2) weeks after its organization or)) within two (2) weeks after the date when ((it)) they first ((has))  
10 have the expectation of receiving contributions or making expenditures in any election campaign, or twenty  
11 (20) days before the election, whichever is earlier, shall file a statement of organization with the City Clerk.

12 2. The officer(s) of each political committee first having the expectation of receiving  
13 contributions or making expenditures during and for that election campaign twenty-one (21) or fewer days  
14 before an election shall file a statement of organization within twenty-four (24) hours of the time when they  
15 first have the expectation of receiving contributions or making expenditures.

16 Section 7 Subsections B, C, and D of 2.04.170 of the Seattle Municipal Code are amended as  
17 follows:

18 **2.04.170 Campaign treasurer--Depository--Identified.**

19 B. Each candidate within two (2) weeks after becoming a candidate, and the officers of each  
20 political committee, at the time it is required to file a statement of organization, shall designate and file  
21 with the City Clerk the names and addresses of:

1           1. One (1) legally competent individual, who may be the candidate, to serve as a  
2 campaign treasurer; and

3           2. A bank, mutual savings bank, savings and loan association, or credit union doing  
4 business in this state to serve as campaign depository and the name under which the campaign account  
5 or accounts are maintained.

6           C. A candidate, (~~political committee, or~~) campaign treasurer, or other officers of a political  
7 committee may appoint as many deputy campaign treasurers as is considered necessary. The candidate  
8 or officers of a political committee shall file the names and addresses of the deputy campaign treasurers  
9 with the City Clerk within ten (10) days after their appointment.

10          D.     1. A candidate or officers of a political committee may at any time remove a campaign  
11 treasurer or deputy campaign treasurer or change a designated campaign depository.

12           2. In the event of the death, resignation, removal, or change of a campaign treasurer(~~(s)~~)  
13 or deputy campaign treasurer, or a change in depository, the candidate or officers of a political  
14 committee shall designate and file with the City Clerk within ten (10) days after such designation, the  
15 name and address of any successor.

16          Section 8. Section 2.04.180 of the Seattle Municipal Code is amended as follows:

17 **2.04.180     Contributions by written instrument - Deposit of contributions in designated**  
18 **account.**

19           (A) No person may make a contribution of more than Fifty-Five Dollars (\$55.00), other than an  
20 in-kind contribution, except by a written instrument containing the name of the contributor and the name  
21 of the payee. (RCW 42.17.740(1).)

22           (B) All monetary contributions received by a candidate, political committee, campaign treasurer  
23 or deputy campaign treasurer shall be deposited within five (5) business days after receipt by the  
24

1 campaign treasurer or a deputy campaign treasurer in a campaign depository in an account established  
2 and designated for that purpose. If the deposit is made by a deputy campaign treasurer, the original or a  
3 copy of the deposit shall be forwarded to the campaign treasurer for retention with campaign records.

4 Section 9. Section 2.04.215 of the Seattle Municipal Code is amended as follows:

5 **2.04.215 Interim investment of campaign funds; earnings.**

6 A campaign treasurer or political committee treasurer may invest funds deposited in the  
7 campaign account in an account or indebtedness of a financial institution up to the amount of federal  
8 deposit insurance; United States bonds or certificates indebtedness or those of a federal agency; and/or  
9 bonds or warrants of the state or any municipal corporation of the state. All interest, dividends, and/or  
10 other income derived from the investment and the principal when repaid shall be deposited in the  
11 campaign account.

12 Section 10 Subsection 2.04.230D of the Seattle Municipal Code is amended as follows:

13 **2.04.230 Continuing political committee - Reports**

14 D. A continuing political committee shall file reports as required by this chapter until the earlier of  
15 (1) the date the continuing political committee dissolves; or (2) (a) in the case of a continuing political  
16 committee that contributes to candidates, the end of the latest election cycle of the candidates to whom the  
17 continuing political committee contributed or (b) in the case of a continuing political committee that  
18 contributes to ballot proposition committees, the date of the latest of the final reports filed pursuant to  
19 Subsection 2.04.250 B3 by the ballot proposition committees to which the continuing political committee  
20 contributed. In addition, if the continuing political committee has debt at the end of the relevant election  
21 cycle or after the relevant final report has been filed, it shall continue to file reports as required by this  
22 chapter until such debt is paid or forgiven.. ((it is dissolved, at which time a final report shall be filed.))

1 When the continuing political committee's obligation to file reports ends as set forth in this subsection,  
2 it shall submit a final report. Upon submitting a final report, the duties of the campaign treasurer other  
3 than record retention shall cease and there shall be no obligation to make any further reports.

4 Section 11. Subsections A, B, C, and D of section 2.04.250 of the Seattle Municipal Code are  
5 amended as follows:

6 **2.04.250 - Treasurer's reports - Procedures**

7 A. On the day the ~~((campaign treasurer is designated, each candidate or political committee shall~~  
8 ~~file with the City Clerk, in addition to any))~~ statement of organization is required under Section 2.04.160  
9 or Section 2.04.170 to be filed with the City Clerk, a report of all contributions received and  
10 expenditures made prior to that date shall be filed with the City Clerk. Such report of contributions and  
11 expenditures is not required if no contributions were received and no expenditures were made prior to  
12 that date((,if any)).

13 B. At the following intervals each campaign treasurer shall file with the City Clerk a further  
14 report of the contributions received and expenditures made since the date of the last report:

15 1. On the twenty-first (21st) day and seventh (7th) day immediately preceding the date  
16 on which the election is to be held; and

17 2. ~~((Within twenty one (21) days after the date of the election;))~~ On the tenth (10th) day  
18 of the first (1st) month after the election; provided, that this report shall not be required following a  
19 primary election from:

20 (a) A candidate whose name will appear on the subsequent general election ballot;

21 or

1                   (b) Any continuing political committee; and

2                   3. On the tenth (10th) day of each month in which no other reports are required to be  
3 filed under this section; provided, that such report shall only be filed if the committee has received a  
4 contribution or made an expenditure in the preceding calendar month and either the total contributions  
5 received or total expenditures made since the last such report exceed Two Hundred Dollars (\$200.00).

6                   4. In the case of a City general election or a special election held in conjunction with any  
7 general election, the campaign treasurer shall file a final report no later than the tenth (10th) day of May  
8 after the date of the general election; and in the case of a special election that is not held in conjunction  
9 with any general election, the final report shall be filed no later than the tenth (10th) day of the sixth  
10 (6th) month after the date of the special election.

11                   The period for which activity shall be reported (the "reporting period") in the required reports  
12 shall be as follows:

13                   (a) The report (~~which is~~) to be filed twenty-one (21) days before the election shall  
14 report all contributions received and expenditures made from the closing date of the last report filed  
15 through the end of the fifth (5th) business day before the date of the report.

16                   (b) The report (~~which is~~) to be filed seven (7) days before the election shall report all  
17 contributions received and expenditures made from the closing date of the last report filed through the  
18 end of one (1) business day before the date of the report.

19                   (c) Reports which are to be filed on the tenth (10th) day of the month shall report all  
20 contributions received and expenditures made from the closing date of the last report filed through the  
21 last day of the month preceding the date of the report.

1           ~~((In the case of a City general election or a special election held in conjunction with City general~~  
2 ~~election, the campaign treasurer shall file a final report no later than the tenth day of May after the date of~~  
3 ~~the general election; and in the case of a special election that is not held in conjunction with a City general~~  
4 ~~election, the final report shall be filed no later than the tenth day of the sixth month after the date of the~~  
5 ~~special election.))~~

6           C. For the period beginning the first (1st) day of the fourth (4th) month preceding the date on which  
7 the special or general election is held and ending on the Friday eleven (11) days before the date of that  
8 election, the campaign treasurer shall file with the City Clerk each Friday a report of each contribution  
9 ((received during that period)) deposited during the previous seven (7) days. On the Friday eleven (11) days  
10 before the date of the election and each day thereafter until and including the date of the election, the  
11 campaign treasurer shall file with the City Clerk a report of each deposited contribution on the same day ((at  
12 the time)) that ((contribution is deposited pursuant to SMC Section 2.04.180)) the deposit is made in the  
13 campaign depository. On the day after the date on which the general or special election is held and each day  
14 thereafter until and including the Tuesday after the date of the election, the campaign treasurer shall file with  
15 the City Clerk a report of each deposited contribution on the same day that the deposit is made in the  
16 campaign depository if the contributions deposited that day total Five Hundred Dollars (\$500) or more.

17           D. Each such report shall contain (1) the name and address of each person making a contribution of  
18 more than Twenty-Five Dollars (\$25.00) ((or more)) or an aggregate of contributions totaling more than  
19 Twenty-Five Dollars (\$25.00) ((or more)) during the ((election cycle)) applicable period; (2) the dollar  
20 amount of each such contribution; ((and)) (3) the aggregate ((donated)) contributed by each such contributor  
21 during the applicable period((, in an election cycle in the case of a candidate, in a calendar year in the case  
22 of a continuing political committee, or since the inception of the committee in the case of a ballot issue));  
23 and (4) the occupation and the employer's name, city and state of each individual whose aggregate  
24 contributions during the applicable period equal One Hundred Dollars (\$100.00) or more. Contributions  
((ef)) from any person that total Twenty-Five Dollars (\$25.00) or less ((from any

1 ~~person))~~ in the applicable period ~~((any election cycle))~~ may be reported by a candidate, candidate  
2 committee, ~~((or))~~ ballot ~~((issue))~~ proposition committee or continuing political committee as a lump sum  
3 without identifying the contributor(s) by name. ~~((Contributions of Twenty-Five Dollars (\$25.00) or less~~  
4 ~~from any person in a calendar year may be reported by a continuing political committee as a lump sum~~  
5 ~~without identifying the contributor(s) by name.))~~ The campaign treasurer shall retain a copy of each  
6 report in his or her campaign records. Each report shall be certified as correct by the campaign treasurer  
7 or a deputy campaign treasurer making the deposit.

8 Section 12. Subsection 2.04.260A of the Seattle Municipal Code is amended as follows:

9 **2.04.260 Treasurer's reports-Contents.**

10 A. Each report required under Section 2.04.250 shall disclose ~~((for the period beginning at the~~  
11 ~~end of the period for the last report or, in the case of an initial report, at the time of the first contribution~~  
12 ~~or expenditure, and ending not more than five (5) days prior to the date the report is due)):~~

13 1. The funds on hand at the beginning of the reporting period;

14 2. The name and address of each person who has made one or more contributions during  
15 the reporting period, together with:

16 (i.) the money value and date of ~~((such))~~ each contribution~~((s and))~~;

17 (ii.) the aggregate value of all contributions received from each such person; and

18 ~~((during the campaign or in the case of a continuing political committee, the current calendar year;~~

19 ~~provided, that the income which results from the conducting of a fundraising activity which has~~

20 ~~previously been reported in accordance with Section 2.04.220 may be reported as one lump sum, with~~

21 ~~the exception of that portion of such income which was received from person whose names and~~

1 ~~addresses are required to be included in the report required by Section 2.04.220; provided further, that~~  
2 e))

3 (iii.) the occupation and the employer's name, city and state of each individual  
4 whose contributions in the aggregate during the applicable period equal or exceed One Hundred Dollars  
5 (\$100.00).

6 Contributions of ((less than))Twenty-Five Dollars (\$25.00) or less in the aggregate from any one  
7 (1) person during the applicable period ((election campaign)) may be reported as one (1) lump sum so  
8 long as the campaign treasurer maintains a separate ((and private)) list of the contributors' names,  
9 addresses, and the amounts of each of their contributions ((such contributor)) but if the treasurer does not  
10 maintain such a list, then the name, address, and amount of each contribution shall be reported;

11 3. Each loan, promissory note, or security instrument to be used by or for the benefit of  
12 the candidate or political committee made by any person, together with the names and addresses of the  
13 lender and each person liable directly, indirectly, or contingently and the date and amount of each such  
14 loan, promissory note, or security instrument;

15 4. The name and address of each political committee from which the reporting  
16 committee or candidate received, or to which that committee or candidate made, any transfer of funds,  
17 together with the amounts, dates, and purpose of all such transfers;

18 5. All other contributions not otherwise listed or exempted;

19 6. The name and address of each person to whom one or more ((an)) expenditures  
20 ((was)) were made in the aggregate amount of more than Fifty Dollars (\$50.00) ((or more)) during the  
21 reporting period, and the amount, date, and purpose of each such expenditure;

22 7. The total sum of expenditures;

1 8. The surplus or deficit of contributions over expenditures;

2 9. The disposition made of any surplus of contributions over expenditures;

3 10. Such other information as the ~~((Administrator))~~ Commission ~~((-in conformance with~~  
4 ~~the policies and purposes of this chapter, ))~~ requires by rule adopted pursuant to the Administrative Code  
5 in conformance with the policies and purposes of this chapter; and

6 11. Funds received from a political committee not domiciled in the state and not  
7 otherwise required to report under this chapter (a "nonreporting committee"). Such funds shall be  
8 forfeited to the state unless the nonreporting committee or the recipient of such funds has filed or within  
9 ten (10) days following such receipt shall file with the City Clerk a statement disclosing:

10 a. The name and address of the nonreporting committee;

11 b. The purposes of the nonreporting committee;

12 c. The names, addresses, and titles of its officers or, if it has no officers, the  
13 names, addresses, and titles of its responsible leaders;

14 d. A statement whether the nonreporting committee is a continuing one;

15 e. The name and office sought of each candidate in the City in support of whom  
16 the nonreporting committee made an expenditure ~~((is supporting))~~;

17 f. The City ballot proposition concerning which the non-reporting committee  
18 made an expenditure ~~((supported or opposed in the City, if any))~~, and whether such committee is in  
19 favor of or opposed to such proposition;

20 g. The name and address of each person residing in the state or corporation which  
21 has a place of business in the state that has made one (1) or more contributions in the aggregate of more  
22 than Twenty-Five Dollars (\$25.00) ~~((or more))~~ to the nonreporting committee during the current  
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24

1 calendar year, together with the money value and date of such contributions;

2 h. The name and address of each person in the state to whom an expenditure was  
3 made by the nonreporting committee on behalf of a candidate or political committee (~~in the aggregate~~  
4 ~~amount of Twenty Five Dollars (\$25.00) or more~~), the amount, date and purpose of such expenditure,  
5 and the total sum of such expenditures;

6 12. Investments made of campaign funds under Section 2.04.215 and interest dividends  
7 and/or other income received.

8 Section 13. A new section is added to chapter 2.04 of the Seattle Municipal Code as follows:

9 **2.04.265 Special reports of late contributions totaling over Five Hundred Dollars--Certain**  
10 **late contributions prohibited.**

11 A. The treasurer shall file with the Commission a special report of each contribution or  
12 aggregate of contributions that: (1) exceeds Five Hundred Dollars (\$500.00), (2) is from a single person  
13 or entity, and (3) is received during the twenty-one (21) days before the election in which the candidate  
14 or proposition will appear on the ballot. Such report shall be filed electronically or by facsimile, within  
15 twenty-four (24) hours of receipt of the contribution or of the time the aggregate contributions exceed  
16 Five-Hundred Dollars (\$500.00). Contributions reported under this section shall also be reported to the  
17 City Clerk as required by other provisions of this chapter.

18 B. It is a violation of this chapter for any person to make or for any candidate or political  
19 committee to accept from any one person contributions reportable under this chapter in the aggregate  
20 exceeding Five Thousand Dollars (\$5,000.00) within the twenty-one (21) days before a primary, ~~(or)~~  
21 general, or special election in which the candidate or ballot proposition appears on the ballot.

22 Section 14. Subsection 2.04.270A of the Seattle Municipal Code and the heading for section  
23 2.04.270 are amended as follows:  
24

1 **2.04.270 Independent expenditures; contributions to out-of-state committees- Reports**

2 A. 1. ~~((For the purposes of this subsection A, " ))~~ Every ~~((("))~~independent  
3 ~~((campaign))~~expenditure ~~(( " means any expenditure made in support of or in opposition to any candidate~~  
4 ~~or ballot proposition and not otherwise))~~ not required to be reported pursuant to Sections 2.04.180  
5 through 2.04.210, 2.04.230, 2.04.250 and 2.04.260 shall be reported pursuant to this subsection A.

6 2. ~~((Within five (5) days after the date of))~~ Each person who makes ~~((making))~~ an  
7 independent ~~((campaign))~~ expenditure ~~((which))~~ that by itself or when added to all other such  
8 independent ~~((campaign))~~ expenditures made ~~((during the same election campaign))~~ by the same person,  
9 in connection with the same position or proposition, equals One Hundred Dollars (\$100.00) or more, or  
10 ~~((within five (5) days after the date of making an independent campaign expenditure ))~~ for which no  
11 reasonable estimate of monetary value is practicable, shall within five (5) business days of making the  
12 independent expenditure or of the date on which the expenditures in the aggregate equal One Hundred  
13 Dollars (\$100.00) or more, whichever occurs first, ~~((the person who made such independent campaign~~  
14 ~~expenditure shall))~~ file with the City Clerk an initial report of all independent ~~((campaign))~~ expenditures  
15 made during such campaign prior to and including such date.

16 Each person who, within twenty-one (21) days before an election makes an independent  
17 expenditure that by itself, or when added to all other independent expenditures made previously during  
18 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500) shall within twenty-four (24) hours of  
19 making each such independent expenditure file by facsimile or electronically with the Commission a  
20 special report of that independent expenditure.

21 3. At the following intervals each person who is required to file an initial report pursuant  
22 to subsection A2 of this section shall file with the City Clerk a further report of the independent  
23  
24

1 ((campaign)) expenditures made since the date of the last report:

2 a. On the twenty-first day and the seventh day preceding the date on which the  
3 election is to be held; and

4 b. ~~((Within twenty one (21) days after the date of the election))~~ On the tenth day  
5 of the first month after the election; and

6 c. On the tenth day of each month in which no other reports are required to be  
7 filed pursuant to this subsection A; provided, that such further reports required by this subsection A. 3  
8 shall ~~((only))~~ be filed only if the reporting person has made an independent ~~((campaign))~~ expenditure  
9 since the date of the last previous report filed .

10 ~~((The report filed pursuant to paragraph b of this subsection A3 shall be the final report, and~~  
11 ~~upon submitting such final report the duties of the reporting person shall cease, and there shall be no~~  
12 ~~obligation to make any further reports.))~~

13 4. All reports filed pursuant to this subsection A shall be certified as correct by the  
14 reporting person.

15 5. Each report required by subsections A2 and A3 of this section shall disclose for the  
16 period beginning at the end of the period for the last previous report filed or, in the case of an initial  
17 report, beginning at the time of the first independent ~~((campaign))~~ expenditure, and ending not more  
18 than five (5) days prior to the date the report is due:

19 a. The name and address of the person filing the report;

20 b. The name and address of each person to whom an independent ~~((campaign))~~  
21 expenditure was made in the aggregate amount of more than Twenty-Five Dollars (\$25.00) ~~((or more))~~  
22 in the reporting period, and the amount, date, and purpose of each such expenditure; provided, that if no  
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1 reasonable estimate of the monetary value of a particular independent ((campaign)) expenditure is  
2 practicable, it shall be sufficient to report instead a precise description of services, property, or rights  
3 furnished through the expenditure and where appropriate to attach a copy of the item produced or  
4 distributed by the expenditure;

5 c. The total sum of all independent ((campaign)) expenditures made during the  
6 ((campaign)) applicable period to date; and

7 d. Such other information as the ((Administrator)) Commission, in conformance  
8 with the policies and purposes of this chapter, requires by rule adopted pursuant to the Administrative  
9 Code.

10 Section 15. A new section is added to the Seattle Municipal Code as follows:

11 **2.04.275 Certification of independent expenditures--Special reports of late independent**  
12 **expenditures.**

13 A. Each person and each officer of the committee or entity who made an independent  
14 expenditure each shall file, with the report required in Sections 2.04.180 through 2.04.210, 2.04.230,  
15 2.04.250, 2.04.260 and 2.04.270, his or her notarized affidavit or declaration under penalty of perjury.  
16 The affidavit or declaration shall state that the maker has made reasonable inquiry and determined that  
17 as to each of the following, the expenditure was made without consultation, collusion, or cooperation  
18 with (1) any candidate, candidate political committee, or ballot proposition committee that a reasonable  
19 person making the independent expenditure would expect to benefit from the expenditure, (2) the  
20 officers of such candidate's or proposition's political committee, or (3) such candidate's or committee's  
21 agents.

22 B. Each person who, within twenty-one (21) days before an election makes an independent  
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1 expenditure that by itself, or when added to all other independent expenditures made previously during  
2 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500) shall within twenty-four (24) hours of  
3 making each such independent expenditure file by facsimile or electronically with the Commission a  
4 special report of that independent expenditure. Expenditures reported under this section shall also be  
5 reported to the City Clerk when and as required by other provisions of this chapter.

6 Section 16. Subsections A, B, and C of section 2.04.330 of the Seattle Municipal Code are  
7 amended as follows:

8 **2.04.330 Late filing--Civil assessments.**

9 A. The City Clerk shall stamp, ~~((or))~~ write ~~((up))~~ on or mark mechanically or electronically on  
10 each statement or report filed under this chapter the date and time it is received.

11 B. ~~((A candidate or political committee, who fails))~~ Failure to file any statement or report on the  
12 date due or mail the same to the City Clerk, postage prepaid, on the date due, shall ~~((be))~~ subject a  
13 candidate, campaign treasurer, political committee or officer of a political committee to a late  
14 ~~((payment))~~ filing penalty, as follows:

15 1. A civil assessment of Ten Dollars (\$10.00) for each day that the report is due but not  
16 filed for failing to make a timely filing;

17 2. A civil assessment of Fifty Dollars (\$50.00) per day for any statement or report that is  
18 due within seven (7) days of an election for each day the statement or report is not filed up to and  
19 including election day; and

20 3. A civil assessment of Ten Dollars (\$10.00) per day that any other statement or report  
21 is due and is not filed, and for each day after election day a statement or report in subsection 2 is due and  
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1 remains unfiled.

2 Failure to file each statement or report is a separate infraction.

3 C. A filing received by mail shall be deemed ~~((complete))~~ filed on the date of the postmark. A  
4 filing received by facsimile or electronically shall be deemed filed when the transmission has been  
5 completely received. The Commission may adopt rules to specify how that receipt date and time is  
6 determined in each medium. It shall be a defense that ~~((the material))~~ a filing made solely by mail was  
7 lost in the mail.

8 Section 17. A new section is added to the Seattle Municipal Code as follows:

9 **2.04.340 Personal use of contributions--When permitted.**

10 Contributions received and reported under this chapter may be transferred to the personal account  
11 of a candidate, or, in the case of a ballot proposition political committee, to the personal account of a  
12 treasurer or other individual, or expended for such candidate's, treasurer's or individual's personal use  
13 only under one or more of the following circumstances:

14 A. As reimbursement for or loans to cover lost earnings incurred as a result of campaigning or  
15 services performed for the political committee. Such lost earnings shall be verifiable as unpaid salary, or  
16 when the individual is not salaried, as an amount not to exceed income received by the individual for  
17 services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be  
18 documented and a record thereof shall be maintained by the individual or the individual's political  
19 committee. The political committee shall maintain such information in the campaign records.

20 B. As reimbursement for direct out-of-pocket election campaign and post-election campaign  
21 related expenses made by the individual. To receive reimbursement from the political committee, the  
22 individual shall provide the political committee with written documentation as to the amount, date, and  
23  
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1 description of each expense, and the political committee shall maintain such information in the  
2 campaign records.

3 C. As repayment of loans made by the individual to political committees, which repayment shall  
4 be reported pursuant to Section 2.04.250. Contributions may not be used, however, to reimburse a  
5 candidate for loans made by the candidate to the candidate's own political committee or campaign in an  
6 amount totaling more than the amount provided in RCW 42.17.125(3) and WAC 390-05-400.

7 D. As payment of salary, wages and benefits or any other payment for services rendered by an  
8 individual to a campaign, but not in payment for services rendered by a candidate to that candidate's  
9 campaign.

10 Section 18. Subsections B and D of Section 2.04.370 of the Seattle Municipal Code are amended  
11 as follows:

12 **2.04.370 Mandatory limitations on contributions.**

13 B. No person shall ~~((make a contribution of))~~ contribute more than Four Hundred Dollars  
14 (\$400.00) to any candidate for Mayor, City Council, or City Attorney, in any election cycle, ~~((; provided,~~  
15 ~~a group of ten (10) or more persons may contribute up to Four Hundred Dollars (\$400.00) to any~~  
16 ~~candidate for Mayor, City Council, or City Attorney, in the name of such group; provided further, that~~  
17 ~~no person shall contribute more than Four Hundred Dollars (\$400.00) in aggregate, in any election cycle~~  
18 ~~to all political committees which contribute to candidates for the above City offices.))~~

19 D. No candidate for Mayor, City Council or City Attorney shall solicit or receive ~~((a))~~ campaign  
20 contributions of more than Four Hundred Dollars (\$400.00) from any person ~~((or more than Four~~  
21 ~~Hundred Dollars (\$400.00) from any group of ten (10) or more persons))~~ in any election cycle; provided:

1           1. The limitations imposed by this section shall not apply to a candidate's contributions  
2 of his or her own resources to his or her own campaign; ~~((the limitations imposed by this section shall  
3 apply to the contributions of all others))~~ and

4           2. The limitations imposed by this section shall not apply to independent expenditures as  
5 defined by this chapter; and

6           3. The limitations imposed by this section shall not apply to the value of in-kind  
7 labor~~((:))~~ and

8           4. The limitations imposed by this section shall not apply to contributions consisting of  
9 the rendering of clerical or computer services on behalf of a candidate or an authorized political  
10 committee, to the extent that the services are for the purpose of ensuring compliance with City, county,  
11 or state elections or public disclosure laws.

12           5. Contributions to candidates for 1995, 1996, or 1997 City office campaigns received  
13 prior to ~~((the effective date of the ordinance codified in this section))~~ October 16, 1994, shall not be  
14 calculated in the contribution limitations imposed by this section.

15           Section 19. Subsection 2.04.375B of the Seattle Municipal Code is amended as follows:

16 **2.04.375       Reporting and disposition of campaign funds after election.**

17           B. The surplus funds, including each capital asset for which the campaign paid Two Hundred  
18 Dollars (\$200.00) or more, or reported as an in-kind contribution with a value of Two Hundred Dollars  
19 (\$200.00) or more, of a candidate, ~~((or))~~ of a political committee supporting a candidate, of a political  
20 committee supporting or opposing a ballot proposition, and of a continuing political committee may be  
21 disposed of only in one (1) or more of the following ways:  
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- 1           1. Return the surplus to contributors in respective amounts not to exceed each contributor's  
2 original contribution;
- 3           2. Transfer the surplus to the ~~((candidate's))~~ personal account of a candidate, or of a treasurer or  
4 other individual as reimbursement for lost earnings incurred as a result of the ~~((candidate's))~~ election  
5 campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate, treasurer, or  
6 individual is not salaried, as an amount not to exceed income received by the candidate, treasurer, or  
7 individual for services rendered during an appropriate corresponding time period. All lost earnings  
8 incurred shall be documented, and a record thereof shall be maintained by the candidate, treasurer, or  
9 individual or by the ~~((candidate's))~~ political committee as the lost earnings accrue. The Committee shall  
10 ~~((include a copy of such record when its expenditure for such reimbursement is reported pursuant to~~  
11 RCW 42.17.090)) maintain such information as a part of the campaign records;
- 12           3. Transfer the surplus to a political party or to a caucus of the state legislature;
- 13           4. Donate the surplus to a charitable organization registered in accordance with RCW Chapter  
14 19.09;
- 15           5. Transmit the surplus to the state treasurer for deposit in the general fund; ~~((or))~~
- 16           6. Hold the cash surplus in the campaign depository or depositories designated in accordance  
17 with RCW 42.17.050 and in the case of capital assets hold them in the custody of the candidate or  
18 officer of the campaign committee for possible use in a future election campaign for the same office last  
19 sought by the candidate or for a future election campaign for a ballot proposition on the same topic, and  
20 report the transfer of such funds or assets as a ~~((any such))~~ disposition in accordance with RCW  
21 42.17.090 and SMC Section 2.04.260. ~~((; provided, that if ))~~ If the candidate subsequently announces or  
22 publicly files for office, or if a ballot proposition political committee is established for a future

1 proposition on the same topic, information as appropriate ((is)) shall be reported in accordance with  
2 RCW 42.17.040 through 42.17.090 and SMC Sections 2.04.170 through 2.04.260. If a subsequent  
3 office is not sought, or if a subsequent election campaign for a ballot proposition on the same topic does  
4 not occur, the surplus held shall be disposed of in accordance with the requirements of this chapter((-):

5 7. A ballot proposition political committee may become a continuing political committee and use  
6 the funds to support or oppose candidates and ballot propositions and must report in accordance with  
7 SMC 2.04.230 through 2.04.290; or

8 8. With the written approval of the contributor, a candidate or the candidate's political  
9 committee may use or permit the use of contributions, whether or not surplus, solicited for or received  
10 by the candidate or the candidate's political committee from that contributor to further the candidacy of  
11 the individual for an office other than the office designated on the statement of organization. If the  
12 contributor does not approve the use of his or her contribution to further the candidacy of the individual  
13 for an office other than the office designated on the statement of organization at the time of the  
14 contribution, the contribution must be considered surplus funds and disposed of in accordance with this  
15 chapter.

16 Section 20. Subsection 2.04.500A of the Seattle Municipal Code is amended as follows:

17 **2.04.500 Civil remedies and sanctions.**

18 A. 1. Upon determining pursuant to Sections 2.04.070 through 2.04.090 that a violation has  
19 occurred, the Commission may issue an order requiring the party to take particular action in order to  
20 comply with the law, and in addition, or alternatively, may impose sanctions ~~((not to exceed One))~~ up to  
21 Five Thousand Dollars ~~(((\$1,000.00)))~~ (\$5,000.00) for each violation. ~~((;-however;-))~~

1           2. Upon determining that a contribution was illegally made or accepted, in addition to the  
2 remedies in subsection (1), the Commission may (~~impose a penalty of One Thousand Dollars~~  
3 (~~\$1,000.00~~);) order the return of a contribution illegally made, and impose a penalty of two (2) times the  
4 amount of a contribution illegally made or accepted (~~(, whichever is greater,)~~) by a person (~~(or entity)~~)  
5 who violates Section 2.04.180, 2.04.200, 2.04.210, 2.04.215, 2.04.240, 2.04.290, 2.04.300, 2.04.370, or  
6 2.04.480.

7           3. Upon determining that a report was filed excessively late, in addition to the remedies  
8 in subsection (1), the Commission may impose a penalty of two (2) times the amount of each deposit or  
9 expenditure for each deposit or expenditure that was reported excessively late. A report is excessively  
10 late if it was due more than twenty-one (21) days before the election in which the candidate or ballot  
11 proposition appeared on the ballot, but was not filed at least twenty-one (21) days before that election.  
12 A report is also excessively late if it was due within twenty-one (21) days before the election in which  
13 the candidate or ballot proposition appeared on the ballot, but was not timely filed.

14           4. In addition to the actions in Subsections A1, A2, and A3 above, (~~(F)~~) the Commission  
15 may (~~(, in lieu of imposing sanctions,)~~) forward the determination of violation to the Seattle City  
16 Attorney or the (~~(Kind)) King County Prosecutor for prosecution. If the court finds that the violation of~~  
17 any provision of this chapter by any candidate or political committee probably affected the outcome of  
18 any election, the result of the election may be held void and a special election held within sixty (60) days  
19 of such finding. Any action to void an election shall be commenced within one (1) year of the date of  
20 the election in question. It is intended that this remedy be imposed freely in all appropriate cases to  
21 protect the right of the electorate to an informed and knowledgeable vote.

1           Section 21 Section 2.04.500 of the Seattle Municipal Code is amended by adding thereto a new  
2 subsection as follows:

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1 **2.04.500 Civil remedies and sanctions.**

\*\*\*

2 D. The following persons shall be liable for violation of this chapter, and shall be subject to all  
3 penalties, civil remedies and sanctions set forth in this section, in Section 2.04.330, or elsewhere in this  
4 chapter:

- 5 1. Each candidate whose campaign has violated any provision of this chapter;
- 6 2. Each officer of a ballot proposition political committee or continuing political committee  
7 whose committee has violated any provision of this chapter.
- 8 3. Each individual violating any provision of this chapter.

9 Section 22. Section 2.04.310 of the Seattle Municipal Code is hereby repealed.

10 Section 23. This ordinance shall take effect and be in force thirty (30) days from and after its  
11 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
12 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

13 Passed by the City Council the 28 day of April, 1997, and signed by me in open  
14 session in authentication of its passage this 28 day of April, 1997.

15 *Jan Deago*  
16 President \_\_\_\_\_ of the City Council

17 Approved by me this 5 day of May, 1997.

18 *Maurice B. Rice*  
19 \_\_\_\_\_ Mayor

20 Filed by me this 6 day of May, 1997.

21 *Chris Dowd*  
22 \_\_\_\_\_ City Clerk

23 (Seal)



# Seattle City Council

## MEMORANDUM

**TO:** Councilmembers

**FROM:** Clifford R. Traisman   
Councilmember Martha Choe

**DATE:** April 24, 1997

**RE:** Divided Report on Election Code Revisions

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**C.B. 111665:**

An Ordinance Relating to the Elections Code; amending, repealing, and adding numerous sections in chapter 2.04 of the Seattle Municipal Code.

**MAJORITY REPORT (MC, CC, JN):**

The Majority, after two Committee discussions which included a panel of campaign treasurers, believed that the proposed changes to the Elections Code by the Ethics and Elections Commission will make the Code more easily understood. The Commission incorporated the majority of the Committee's and treasurer's recommended changes.

The Majority did not have a problem with the proposed rule to require the daily filing of C-3 reports from 11 days before an election until 7 days after because treasurers must file a report every time they make a deposit anyway. Therefore, this provision would not complicate reporting requirements for treasurers.

Many of the revisions to the code were done in order to bring City law into conformity with State Law. Other changes in the Code can be considered technical and did not involve a shift in Commission policy or philosophy. Finance and Budget Committee Members supported the proposed changes because they believed they make it easier for campaign treasurers to comply with the law and appreciated the Commission's willingness to work with the Committee to achieve that end.

**MINORITY REPORT (From Office of Councilmember Chong):**

Although in agreement with almost all the changes, Councilmember Chong voted against the proposed revisions to the election code at the Finance Committee meeting of 4/16/97. He took this action because he believes that the proposed rule requiring the daily filing of C-3 reports from 11 days before an election until 7 days after is unduly burdensome to the many because of problems with a few.

Why discourage citizen participation, particularly by low-funded grass-roots campaigns that lack paid staff or professional expertise?

Councilmember Chong may be introducing an amendment to require daily reports for the seven days after elections only for total daily deposits of \$500 or more. This amendment would still require daily reports of deposits for the 11 days up to and including election day, as the Commission has recommended.

City of Seattle  
Ethics and Elections Commission



April 8, 1997

Councilmember Martha Choe  
Chair, Finance Committee  
Seattle City Council  
1100 Municipal Building  
Seattle, WA 98104

Re: Proposed Enhancements of the Elections Code

Dear Councilmember Choe,

The Ethics and Elections Commission met Wednesday afternoon and discussed the various changes that have been suggested to our original Election Code proposal.

We sincerely appreciate the dialog we have had on this important legislation. Our discussions have been candid and very helpful to us as we have crafted these proposed amendments. The opinions expressed by the campaign treasurers on Wednesday morning were particularly helpful.

We viewed all but two of the changes as clean-up and housekeeping adjustments to make the Code more easily understood. However, two of the suggested changes were carefully considered and then unanimously rejected by the Commission because they would not further the Code's important purpose.

The first pertains to treasurers' reports immediately prior to and immediately after the election. We have drafted amendments to Section 2.04.250 that will require daily reporting of deposits beginning 11 days before the election and continuing for one week after the election. We believe this change is necessary to insure the public's access to and knowledge of contributions received in the final days of a campaign. This is particularly important for ballot propositions and issues.

State law allows a campaign to hold contributions for up to five days before depositing them into the campaign bank account. Our suggested amendments will allow for public access to and knowledge of these contributions at the time of the election or very shortly thereafter when public interest remains strong. In balancing the burden on campaigns and the public interest in full disclosure, we believe the absence of this requirement would be detrimental to the public interest.

The second suggested change the Commission considered pertains to Section 2.04.500(D) Civil Remedies and Sanctions. It was suggested that this Section be eliminated, in whole or in part. The Commission believes that the proposed SMC 2.04.500(D) is essential, as written.

This past year we found violations of the Elections Code that involved sophisticated, premeditated schemes designed to conceal the true identity of campaign contributors. These violations were among the most egregious ever seen by the Commission. We had another case that involved possible criminal activity by a campaign treasurer. In a series of other cases, we found continuing and widespread violations of the Code by a candidate and his campaign treasurer. During our investigation of these violations, the Commission determined that a more explicit definition of who is covered by the Code was necessary. Section 2.04.500 is designed to bring clarity to who is liable for violations of the Code.

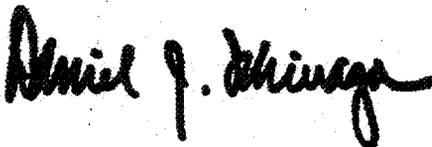
It has been suggested that by including this Section candidates will have greater difficulty finding volunteer treasurers. However, none of the campaign treasurers who testified on Wednesday expressed that concern. It has generally been our experience that nearly all treasurers actively seek to understand and comply with the Code. Most violations we see are inadvertent and minor, and they are easily cured through coaching by our staff. Occasionally, however, we find serious violations that require vigorous enforcement and sanctions.

The Code amendments recommended by the Commission will continue to promote the public's confidence in city elections. We ask that you and your colleagues adopt the amendments as submitted by the Commission. We know that you and the other members of the Council support the work of the Commission, and we greatly appreciate your strong support.

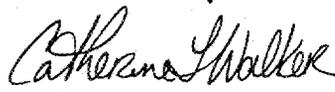
A new marked draft is attached to this letter.

We look forward to your April 16 committee meeting. At least two commissioners and Commission staff will attend and be available for your questions.

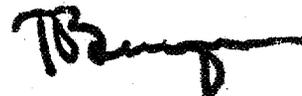
Sincerely,



Daniel J. Ichinaga, Chair



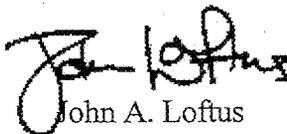
Catherine L. Walker, Vice Chair



Timothy Burgess



Marc A. Boman



John A. Loftus



Rosselle Pekelis  
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City of Seattle  
Ethics and Elections Commission

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March 6, 1997

Council President Jan Drago  
1100 Municipal Building  
Seattle, WA 98104

Re: Proposed Elections Code Revisions

Dear Council President Drago:

Attached are the revisions to the Elections Code that the Commission proposes. For the past three months, the Commission has reviewed the Code and requested comment from the City's elected officials, the Washington State Public Disclosure Commission, current and former candidates and treasurers, labor unions who represent City employees, and the public. The attached is a result of that effort.

We ask that the Council act as quickly as possible, so we can begin preparing 1997 election training materials. As in past years, we will issue a candidate and political committee guide, we will provide individual training for each campaign treasurer, and we will produce a training videotape for broadcast on Municipal Channel 28.

The attached draft ordinance revisions include the following:

- Clarify election cycle for filling vacancy, **SMC 2.04.010(7)**;
- Tighten requirements for reporting independent expenditures, **SMC 2.04.010(21)** clarifies when an independent expenditure is made, **SMC 2.04.270** requires 24 hour reporting of independent expenditures exceeding \$500 in last 21 days, **SMC 2.04.275** requires independent expenditure maker to file an affidavit of no consent, collusion or cooperation of campaign in independent expenditure;
- Hold candidates and campaign officers personally liable for violations, **SMC 2.04.010(29)** at page 4, defines officer of political committee, see also **SMC 2.04.500(D)**;
- Clarify the procedure for hearing a case in which charges are brought within 48 hours of an election, **SMC 2.04.075**;
- Require electronic filing by campaigns that receive or continuing political committees that contribute or make independent expenditures of \$25,000, in the aggregate, with provision for granting exemptions, **SMC 2.04.155** and **.156**, see also **SMC 2.04.330**;
- Require filing report of organization within 24 hours by political committees that form within the last 21 days, **SMC 2.04.160**;
- Permit PAC's that do not continually give to City candidates and City ballot issues to stop reporting when the campaigns to which they contributed end, **SMC 2.04.230**;
- Require, after July 1, reports of deposit made on each Friday for the previous seven days, and on the same day as deposit from the Friday 11 days before the election until the Tuesday after the election, then each month thereafter, **SMC 2.04.250(C)**;
- Exempt from contribution limits free legal, accounting and computer services to comply with election laws (cannot exempt from definition of contribution because the State law requires reporting of such services), **SMC 2.04.370(D)**;

Council President Jan Drago

March 6, 1997

Page 2

- Make surplus funds disposition limitations applicable to ballot issue committees, **SMC 2.04.375**; and
- Authorize Commission to impose a penalty of up to \$5,000 per violation, instead of \$1,000, and additional penalty of two times any deposits or expenditures not timely reported before the election, and authorize the Commission to impose penalties and submit the case to the City Attorney or King County Prosecutor for prosecution, at its discretion, **SMC 2.04.500(A)**.

The remaining revisions bring City law into conformity with State Law.

Clarify when one becomes a candidate, **SMC 2.04.010(8)**;

Exempt internal communications from the definition of contribution, **SMC 2.04.010(13)**;

Prohibit cash contributions over \$55 by other than written instrument, **SMC 2.04.180**;

Clarify timing of all reports, **SMC 2.04.250**;

Require occupation and employer of contributors of \$100 or more, **SMC 2.04.250(D)** and **.260(A)**;

Require a report within 24 hours of any contribution exceeding \$500, made in the last 21 days, **SMC 2.04.265(A)**;

Prohibit contributions exceeding \$5,000, in the aggregate, in the last 21 days, **SMC 2.04.265(B)**; and

Prohibit personal use of campaign contributions, **SMC 2.04.340**.

The attached does not include the following, which were contained in previous proposals:

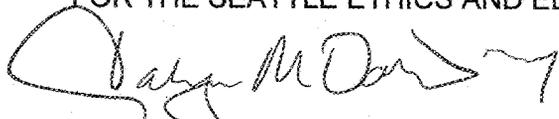
Authorize the Commission to change thresholds in ordinance (SMC 2.04.090);

Calculate anonymous contributions by cycle, instead of calendar year (SMC 2.04.210);  
and

Require mandatory quarterly reports in non-election years (SMC 2.04.250(B)).

Thank you for your consideration of this proposal.

FOR THE SEATTLE ETHICS AND ELECTIONS COMMISSION



Carolyn M. Van Noy  
Executive Director

c: Seattle Ethics and Elections Commission

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ORDINANCE \_\_\_\_\_

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2  
3 AN ORDINANCE relating to the Elections Code; amending, repealing,  
4 and adding numerous sections in chapter 2.04 of the Seattle  
Municipal Code.

5  
6 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

7 Section 1. Subsection 2.04.010(7) of the Seattle Municipal Code is amended as follows:

8 **2.04.010 Definitions.**

9 7. "Election cycle" means (a) in the case of a City general election, except as provided in (b.)  
10 below, ((or a special election to be held in conjunction with City general election,)) that period that  
11 begins on the first day of May during the year following the previous general election for the office  
12 ~~((which))~~ the candidate is seeking and ends on the thirtieth day of April of the year following the general  
13 election for the office ~~((which))~~ the candidate is seeking; or (b) in the case of an ~~((special))~~ election to  
14 fill an ~~((vacancy in an office that is not held in conjunction with a general election))~~ unexpired term,  
15 "election cycle" means the period beginning on the earlier of the day the vacancy occurs or the day the  
16 impending vacancy is publicly announced and ending five (5) months after the ~~((special))~~ election.

17 Section 2. Subsection 2.04.010(8) of the Seattle Municipal Code is amended as follows:

18 **2.04.010 Definitions.**

19 8. "Candidate" means any individual who seeks election to public office in the City, whether or  
20 not successfully. An individual shall be deemed to seek election when he or she first:

21 a. Receives contributions or makes expenditures or reserves space or facilities with intent to  
22 promote his or her candidacy for office, or for the purposes of Subchapter IV (Seattle Municipal Code  
23 Sections 2.04.350 through 2.04.37~~((9))~~5) to promote his or her public office; or  
24

1 b. Announces publicly or files for office; or

2 c. Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

3 d. Gives his or her consent to another person to take on behalf of the individual any of the actions

4 in a. or c. of this subsection; or

5 e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking  
6 election to City office.

7 Section 3. Subsection 2.04.010(13) of the Seattle Municipal Code is amended as follows:

8 **2.04.010 Definitions.**

9 13. "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness of  
10 indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or  
11 transfer of anything of value, including personal and professional services, for less than full  
12 consideration, but does not include (a) interest on moneys deposited in a political committee's account,  
13 (b) ordinary home hospitality, (c) the rendering of personal services of the sort commonly performed by  
14 volunteer campaign workers, ((or)) (d) incidental expenses personally incurred by campaign workers not  
15 in excess of Twenty-Five Dollars (\$25.00) personally paid for by a volunteer campaign worker, or (e) an  
16 internal political communication primarily limited to the members of a political party organization or  
17 political committee, or to the officers, management staff, or stockholders of a corporation or similar  
18 enterprise, or to the members of a labor organization or other membership organization. For purposes of  
19 this definition, members are those who (i) regularly pay dues in exchange for benefits from the  
20 organization or (ii) are able to vote, directly or indirectly, for at least one member of the organization's  
21 governing board or (iii) adhere to a code of conduct, the violation of which may subject the members to  
22 sanctions that could adversely affect their livelihood or (iv) participate in the organization's policy-

1 formulating committees. For the purposes of this chapter, contributions other than money or its  
2 equivalents shall be deemed to have a money value equivalent to the fair market value of the  
3 contribution. Sums paid for tickets to fundraising events such as dinners and parties are contributions;  
4 however, the amount of any such contribution may be reduced for the purpose of complying with the  
5 reporting requirements of this chapter by the actual cost of consumables furnished in connection with the  
6 purchase of such tickets, and only the excess over actual cost of such consumables shall be deemed a  
7 contribution.

8 Section 4. Subsection SMC 2.04.010(21) is amended as follows:

9 **2.04.010 Definitions.**

10 21. "Independent expenditure" means expenditure on behalf of, or opposing the election of, any  
11 candidate, or any City ballot proposition, when such expenditure is made independently of the candidate,  
12 his/her political committee, or agent, or of any ballot proposition committee or its officers or agents, and  
13 when such expenditure is made without the prior consent, or the collusion, or the cooperation, of the  
14 candidate or his/her agent or political committee, or the ballot proposition committee or its officers or  
15 agents. An independent expenditure is made by a person on the earliest of the following events: (a) the  
16 person agrees with a vendor or provider of services to make an independent expenditure, or (b) the  
17 person incurs the obligation to make an independent expenditure, or (c) the person pays for an  
18 independent expenditure.

19 Section 5. A new subsection is added to section SMC 2.04.010 of the Seattle Municipal Code as  
20 follows:

21 **2.04.010 Definitions.**

1           29. "Officer of a political committee" means the following persons: the treasurer, any person  
2 designated by the committee as an officer on the statement of organization filed with the City Clerk, and  
3 any person who alone or in conjunction with other persons makes contribution, expenditure, strategic or  
4 policy decisions on behalf of the committee.

5           Section 6. Subsection 2.04.075B of the Seattle Municipal Code is amended as follows:

6 **2.04.075        Procedure - Charges and hearing**

7           B. The hearing before the Commission shall commence as promptly as practical and no later  
8 than the following:

9                1. If the Executive Director issues the charging document (~~((within))~~ between sixty (60)  
10 days and forty eight (48) hours immediately preceding seven o'clock a.m. (7:00 a.m.) on the date of the  
11 ((an)) election ((in which the complainant or the person is charged)) to which the alleged conduct at  
12 issue is related, the hearing shall commence within ten (10) days of issue or half the time before the  
13 election, whichever is less, but in no event upon less than twenty-four (24) hours' notice, given pursuant  
14 to subsection C of this section, to the person charged and the public;

15                2. In all other cases, and in those cases in which the requirement in subsection (1.) for  
16 twenty-four (24) hours notice makes it impossible to commence the hearing within half the time before  
17 the election, the hearing shall commence within thirty (30) days from the date that the Executive  
18 Director issues the charging document;

19                3. The person charged and the Executive Director may, by mutual agreement, stipulate to  
20 a later date for the hearing. The Commission may delay or continue a hearing in order to accommodate  
21 an attempt to make a settlement or for other good cause.

22           Section 7. A new section is added to Chapter 2.04 of the Seattle Municipal Code as follows:  
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1 **2.04.155 Electronic filing required - exemption.**

2 A. Each candidate or ballot proposition political committee that has received Twenty-Five  
3 Thousand Dollars (\$25,000) or more in aggregate contributions must file all reports required by this  
4 chapter with the City Clerk by electronic transmission of the required information. Each continuing  
5 political committee that expects to contribute or contributes or expects to make or makes independent  
6 expenditures of Twenty-Five Thousand Dollars (\$25,000) or more, in the aggregate, to candidates or  
7 candidate political committees or to ballot proposition political committees must file all reports required  
8 by this chapter with the City Clerk by electronic transmission of the required information. The  
9 electronic format of the filing and the method of transmission shall meet requirements designated in  
10 rules adopted by the Commission.

11 B. The effective date of the electronic filing requirements in this section shall be established by  
12 rule of the Commission, but shall in no event be sooner than May 10, 1998. The Commission may  
13 phase in this requirement, and shall base its rule on the determination of the Executive Director as to  
14 when compliance is practicable.

15 C. The Executive Director may exempt a candidate or a committee from the requirements of this  
16 section where the candidate or the committee has shown that the requirements constitute an undue  
17 burden.

18 Section 8. A new section is added to chapter 2.04 of the Seattle Municipal Code as follows:  
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1 **2.04.156 Electronic filing - certification**

2 All reports required by this chapter that are filed electronically shall be certified as true and  
3 correct by the treasurer and candidate in accordance with procedures specified in rules adopted by the  
4 Ethics and Elections Commission. A report not so certified shall be deemed not to have been filed.

5 Section 9. Subsection 2.04.160A of the Seattle Municipal Code is amended as follows:

6 **2.04.160 Political committees to file statement of organization.**

7 A. Every political committee, within two (2) weeks after its organization or within two (2) weeks  
8 after the date when it first has the expectation of receiving contributions or making expenditures in any  
9 election campaign, or twenty (20) days before the election, whichever is earlier, shall file a statement of  
10 organization with the City Clerk. Every political committee formed twenty-one (21) or fewer days before  
11 an election and having the expectation of receiving contributions or making expenditures during and for  
12 that election campaign shall file a statement of organization within twenty-four (24) hours of its  
13 organization or within twenty-four (24) hours of the time when it first has the expectation of receiving  
14 contributions or making expenditures, whichever is earlier.

15 Section 10. Section 2.04.180 of the Seattle Municipal Code is amended as follows:

16 **2.04.180 Contributions by written instrument - Deposit of contributions in designated**  
17 **account.**

18 (A) No person may make a contribution of more than Fifty-Five Dollars (\$55.00), other than an  
19 in-kind contribution, except by a written instrument containing the name of the contributor and the name  
20 of the payee.

21 (B) All monetary contributions received by a candidate, political committee, campaign treasurer  
22 or deputy campaign treasurer shall be deposited within five (5) business days after receipt by the  
23 campaign treasurer or a deputy campaign treasurer in a campaign depository in an account established  
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1 and designated for that purpose. If the deposit is made by a deputy campaign treasurer, the original or a  
2 copy of the deposit shall be forwarded to the campaign treasurer for retention with campaign records.

3 Section 11 Subsection 2.04.230D of the Seattle Municipal Code is amended as follows:

4 **2.04.230 Continuing political committee - reports**

5 D. A continuing political committee shall file reports as required by this chapter until the earlier of  
6 (1) the later of: (a) the end of the latest election cycle(s) of the candidate(s) to whom the continuing  
7 political committee contributed; or (b) the date the ballot proposition committee(s) to which the continuing  
8 political committee contributed filed final report(s) pursuant to SMC 2.04.250 B. 3.; or (2) the date the  
9 continuing political committee dissolves. In addition, if the continuing political committee has debt at the  
10 end of the relevant election cycle, it shall continue to file reports as required by this chapter until such debt  
11 is paid or forgiven. ((it is dissolved, at which time a final report shall be filed.)) When the continuing  
12 political committee's obligation to file reports ends as set forth in the preceding sentences, it shall  
13 submit a final report. Upon submitting a final report, the duties of the campaign treasurer other than  
14 record retention shall cease and there shall be no obligation to make any further reports.

15 Section 12. Subsections B, C, and D of section 2.04.250 of the Seattle Municipal Code are  
16 amended as follows:

17 **2.04.250 - Treasurer's reports - Procedures**

18 B. At the following intervals each campaign treasurer shall file with the City Clerk a further  
19 report of the contributions received and expenditures made since the date of the last report:

20 1. On the twenty-first day and seventh day immediately preceding the date on which the  
21 election is to be held; and

22 2. ~~((Within twenty one (21) days after the date of the election;))~~ On the tenth day of the

1 first month after the election; provided, that this report shall not be required following a primary election

2 from:

3 (a) A candidate whose name will appear on the subsequent general election ballot;

4 or

5 (b) Any continuing political committee; and

6 3. On the tenth day of each month in which no other reports are required to be filed under  
7 this section; provided, that such report shall only be filed if the committee has received a contribution or  
8 made an expenditure in the preceding calendar month and either the total contributions received or total  
9 expenditures made since the last such report exceed Two Hundred Dollars (\$200.00).

10 The report (~~which is~~) to be filed twenty-one (21) days before the election shall report all  
11 contributions received and expenditures made from the closing date of the last report filed through the  
12 end of the fifth (5th) business day before the date of the report. The report (~~which is~~) to be filed seven  
13 (7) days before the election shall report all contributions received and expenditures made from the  
14 closing date of the last report filed through the end of one (1) business day before the date of the report.  
15 Reports which are to be filed on the tenth day of the month shall report all contributions received and  
16 expenditures made from the closing date of the last report filed through the last day of the month  
17 preceding the date of the report.

18 In the case of a City general election or a special election held in conjunction with any (~~City~~)  
19 general election, the campaign treasurer shall file a final report no later than the tenth (10th) day of May  
20 after the date of the general election (~~and in the case of a special election that is not held in~~  
21 ~~conjunction with a City general election, the final report shall be filed no later than the tenth day of the~~  
22 ~~sixth month after the date of the special election)).~~

1 C. For the period beginning the first day of the fourth month preceding the date on which the  
2 special or general election is held and ending on the Friday eleven (11) days before the date of that  
3 election, the campaign treasurer shall file with the City Clerk each Friday a report of each contribution  
4 ~~((received during that period))~~ deposited during the previous seven (7) days. On the Friday eleven (11)  
5 days before the date of the election and each day thereafter until and including the Tuesday after the date  
6 of the election, the campaign treasurer shall file with the City Clerk a report of each deposited  
7 contribution on the same day ((at the time)) that ((contribution is deposited pursuant to SMC Section  
8 2.04.180)) the deposit is made in the campaign depository.

9 D. Each such report shall contain (1) the name and address of each person making a contribution  
10 of more than Twenty-Five Dollars (\$25.00) ~~((or more))~~ or an aggregate of contributions totaling more  
11 than Twenty-Five Dollars (\$25.00) ~~((or more))~~ during the election cycle; (2) the dollar amount of each  
12 such contribution; ~~((and))~~ (3) the aggregate donated by each such contributor, in an election cycle in the  
13 case of a candidate, in a calendar year in the case of a continuing political committee, or since the  
14 inception of the committee in the case of a ballot ~~(( issue))~~ proposition; and (4) the occupation and the  
15 employer's name, city and state of each individual whose aggregate contributions equal One Hundred  
16 Dollars (\$100.00) or more. Contributions of Twenty-Five Dollars (\$25.00) or less from any person in  
17 any election cycle may be reported by a candidate, candidate committee or ballot proposition political  
18 committee as a lump sum without identifying the contributor(s) by name. Contributions of Twenty-Five  
19 Dollars (\$25.00) or less from any person in a calendar year may be reported by a continuing political  
20 committee as a lump sum without identifying the contributor(s) by name. The campaign treasurer shall  
21 retain a copy of each report in his or her campaign records. Each report shall be certified as correct by  
22 the campaign treasurer or a deputy campaign treasurer making the deposit.

1 Section 13. Subsection 2.04.260A of the Seattle Municipal Code is amended as follows:

2 **2.04.260 Treasurer's reports-Contents.**

3 A. Each report required under Section 2.04.250 shall disclose for the period beginning at the end  
4 of the period for the last report or, in the case of an initial report, at the time of the first contribution or  
5 expenditure, and ending not more than five (5) days prior to the date the report is due:

6 1. The funds on hand at the beginning of the period;

7 2. The name and address of each person who has made one or more contributions during  
8 the period, together with the money value and date of such contributions and the aggregate value of all  
9 contributions received from each such person during the election cycle in the case of a candidate, during  
10 the campaign in the case of a ballot proposition political committee, or during the current calendar year  
11 in the case of a continuing political committee.~~((, the current calendar year, p))~~ Each report shall also  
12 disclose the occupation and employer's name, city and state of each individual whose contributions in  
13 the aggregate equal or exceed One Hundred Dollars (\$100.00). Provided, that the income ~~((which))~~  
14 resulting~~((s))~~ from the conducting of a fundraising activity ~~((which))~~ that has previously been reported in  
15 accordance with Section 2.04.220 may be reported as one lump sum, with the exception of that portion  
16 of such income which was received from persons whose names and addresses are required to be included  
17 in the report required by Section 2.04.220; provided further, that contributions of less than Twenty-Five  
18 Dollars (\$25.00) in the aggregate from any one (1) person during the election campaign may be reported  
19 as one (1) lump sum so long as the campaign treasurer maintains a separate and private list of the names,  
20 addresses, and amounts of each such contributor;

21 3. Each loan, promissory note, or security instrument to be used by or for the benefit of  
22 the candidate or political committee made by any person, together with the names and addresses of the  
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1 lender and each person liable directly, indirectly, or contingently and the date and amount of each such  
2 loan, promissory note, or security instrument;

3 4. The name and address of each political committee from which the reporting  
4 committee or candidate received, or to which that committee or candidate made, any transfer of funds,  
5 together with the amounts, dates, and purpose of all such transfers;

6 5. All other contributions not otherwise listed or exempted;

7 6. The name and address of each person to whom an expenditure was made in the  
8 aggregate amount of more than Fifty Dollars (\$50.00) (~~or more~~), and the amount, date, and purpose of  
9 each such expenditure;

10 7. The total sum of expenditures;

11 8. The surplus or deficit of contributions over expenditures;

12 9. The disposition made of any surplus of contributions over expenditures;

13 10. Such other information as the (~~Administrator~~) Commission, in conformance with  
14 the policies and purposes of this chapter, requires by rule adopted pursuant to the Administrative Code;  
15 and

16 11. Funds received from a political committee not domiciled in the state and not  
17 otherwise required to report under this chapter (a "nonreporting committee"). Such funds shall be  
18 forfeited to the state unless the nonreporting committee or the recipient of such funds has filed or within  
19 ten (10) days following such receipt shall file with the City Clerk a statement disclosing:

20 a. The name and address of the nonreporting committee;

21 b. The purposes of the nonreporting committee;

1 c. The names, addresses, and titles of its officers or, if it has no officers, the  
2 names, addresses, and titles of its responsible leaders;

3 d. A statement whether the nonreporting committee is a continuing one;

4 e. The name and office sought of each candidate in the City whom the  
5 nonreporting committee is supporting;

6 f. The ballot proposition supported or opposed in the City, if any, and whether  
7 such committee is in favor of or opposed to such proposition;

8 g. The name and address of each person residing in the state or corporation which  
9 has a place of business in the state that has made one (1) or more contributions in the aggregate of more  
10 than Twenty-Five Dollars (\$25.00) (~~or more~~) to the nonreporting committee during the current  
11 calendar year, together with the money value and date of such contributions;

12 h. The name and address of each person in the state to whom an expenditure was  
13 made by the nonreporting committee on behalf of a candidate or political committee (~~in the aggregate~~  
14 ~~amount of Twenty-Five Dollars (\$25.00) or more~~), the amount, date and purpose of such expenditure,  
15 and the total sum of such expenditures;

16 12. Investments made of campaign funds under Section 2.04.215 and interest dividends  
17 and/or other income received.

18 Section 14. A new section is added to chapter 2.04 of the Seattle Municipal Code as follows:  
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1 **2.04.265 Special reports of late contributions totaling over Five Hundred Dollars--Certain**  
2 **late contributions prohibited.**

3 A. The treasurer shall file with the Commission a special report of each contribution or  
4 aggregate of contributions that: (1) exceeds Five Hundred Dollars (\$500.00), (2) is from a single person  
5 or entity, and (3) is received during the twenty-one (21) days before the election in which the candidate  
6 or proposition will appear on the ballot. Such report shall be filed electronically or by facsimile, within  
7 twenty-four (24) hours of receipt of the contribution or of the time the aggregate contributions exceed  
8 Five-Hundred Dollars (\$500.00). Contributions reported under this section shall also be reported to the  
9 City Clerk as required by other provisions of this chapter.

10 B. It is a violation of this chapter for any person to make or for any candidate or political  
11 committee to accept from any one person contributions reportable under this chapter in the aggregate  
12 exceeding Five Thousand Dollars (\$5,000.00) within the twenty-one (21) days before a primary or  
13 general election in which the candidate or ballot proposition appears on the ballot.

14 Section 15. Subsection 2.04.270A of the Seattle Municipal Code and the heading for section  
15 2.04.270 are amended as follows:

16 **2.04.270 Independent expenditures; contributions to out-of-state committees- Reports**

17 A. 1. ~~((For the purposes of this subsection A, " ))~~ Every independent  
18 ~~((campaign))~~ expenditure ~~(( " means any expenditure made in support of or in opposition to any candidate~~  
19 ~~or ballot proposition and not otherwise))~~ not required to be reported pursuant to Sections 2.04.180  
20 through 2.04.210, 2.04.230, 2.04.250 and 2.04.260 shall be reported pursuant to this subsection A.

21 2. ~~((Within five (5) days after the date of))~~ Each person who makes ~~((making))~~ an  
22 independent ~~((campaign))~~ expenditure ~~((which))~~ that by itself or when added to all other such  
23 independent ~~((campaign))~~ expenditures made ~~((during the same election campaign))~~ by the same person,  
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1 in connection with the same position or proposition, equals One Hundred Dollars (\$100.00) or more, or  
2 ((within five (5) days after the date of making an independent campaign expenditure )) for which no  
3 reasonable estimate of monetary value is practicable, shall within five (5) business days of making the  
4 independent expenditure or of the date on which the expenditures in the aggregate equal One Hundred  
5 Dollars (\$100.00) or more, whichever occurs first, ((the person who made such independent campaign  
6 expenditure shall)) file with the City Clerk an initial report of all independent ((campaign)) expenditures  
7 made during such campaign prior to and including such date.

8 Each person who, within twenty-one (21) days before an election makes an independent  
9 expenditure that by itself, or when added to all other independent expenditures made previously during  
10 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500) shall within twenty-four (24) hours of  
11 making each such independent expenditure file by facsimile or electronically with the Commission a  
12 special report of that independent expenditure.

13 3. At the following intervals each person who is required to file an initial report pursuant  
14 to subsection A2 of this section shall file with the City Clerk a further report of the independent  
15 ((campaign)) expenditures made since the date of the last report:

16 a. On the twenty-first day and the seventh day preceding the date on which the  
17 election is to be held; and

18 b. ((Within twenty one (21) days after the date of the election)) On the tenth day  
19 of the first month after the election; and

20 c. On the tenth day of each month in which no other reports are required to be  
21 filed pursuant to this subsection A; provided, that such further reports required by this subsection A. 3  
22 shall ((only)) be filed only if the reporting person has made an independent ((campaign)) expenditure  
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1 since the date of the last previous report filed .

2 ~~((The report filed pursuant to paragraph b of this subsection A3 shall be the final report, and  
3 upon submitting such final report the duties of the reporting person shall cease, and there shall be no  
4 obligation to make any further reports.))~~

5 4. All reports filed pursuant to this subsection A shall be certified as correct by the  
6 reporting person.

7 5. Each report required by subsections A2 and A3 of this section shall disclose for the  
8 period beginning at the end of the period for the last previous report filed or, in the case of an initial  
9 report, beginning at the time of the first independent ~~((campaign))~~ expenditure, and ending not more  
10 than five (5) days prior to the date the report is due:

11 a. The name and address of the person filing the report;

12 b. The name and address of each person to whom an independent  
13 ~~((campaign))~~ expenditure was made in the aggregate amount of more than Twenty-Five Dollars (\$25.00)  
14 ~~((or more))~~, and the amount, date, and purpose of each such expenditure; provided, that if no reasonable  
15 estimate of the monetary value of a particular independent ~~((campaign))~~ expenditure is practicable, it  
16 shall be sufficient to report instead a precise description of services, property, or rights furnished through  
17 the expenditure and where appropriate to attach a copy of the item produced or distributed by the  
18 expenditure;

19 c. The total sum of all independent ~~((campaign))~~ expenditures made during the  
20 campaign to date; and

21 d. Such other information as the ~~((Administrator))~~ Commission, in conformance  
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1 with the policies and purposes of this chapter, requires by rule adopted pursuant to the Administrative  
2 Code.

3 Section 16. A new section is added to the Seattle Municipal Code as follows:

4 **2.04.275 Certification of independent expenditures--Special reports of late independent**  
5 **expenditures.**

6 A. Within twenty-four (24) hours after a reasonable person would expect the results of an  
7 independent expenditure to be realized, each person and each officer of the committee or entity who  
8 made the independent expenditure each shall file his or her notarized affidavit or declaration under  
9 penalty of perjury. The affidavit or declaration shall state that the maker has made reasonable inquiry  
10 and determined that as to each of the following, the expenditure was made without consultation,  
11 collusion, or cooperation with (1) any candidate, candidate political committee, or ballot proposition  
12 committee that a reasonable person making the independent expenditure would expect to benefit from  
13 the expenditure, (2) the officers of such candidate's or proposition's political committee, or (3) such  
14 candidate's or committee's agents.

15 B. Each person who, within twenty-one (21) days before an election makes an independent  
16 expenditure that by itself, or when added to all other independent expenditures made previously during  
17 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500) shall within twenty-four (24) hours of  
18 making each such independent expenditure file by facsimile or electronically with the Commission a  
19 special report of that independent expenditure. Expenditures reported under this section shall also be  
20 reported to the City Clerk when and as required by other provisions of this chapter

21 Section 17. Subsections A and C of section 2.04.330 of the Seattle Municipal Code are amended  
22 as follows:  
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1 **2.04.330 Late filing--Civil assessments.**

2 A. The City Clerk shall stamp, ~~((or))~~ write ~~((up))~~ on or mark mechanically or electronically on  
3 each statement or report filed under this chapter the date and time it is received.

4 C. A filing received by mail shall be deemed ~~((complete))~~ filed on the date of the postmark. A  
5 filing received by facsimile or electronically shall be deemed filed when the transmission has been  
6 completely received. The Commission may adopt rules to specify how that receipt date and time is  
7 determined in each medium. It shall be a defense that ~~((the material))~~ a filing made solely by mail was  
8 lost in the mail.

9 Section 18. A new section is added to the Seattle Municipal Code as follows:

10 **2.04.340 Personal use of contributions--When permitted.**

11 Contributions received and reported under this chapter may be transferred to the personal account  
12 of a candidate, or, in the case of a ballot proposition political committee, to the personal account of a  
13 treasurer or other individual, or expended for such candidate's, treasurer's or individual's personal use  
14 only under one or more of the following circumstances:

15 A. As reimbursement for ~~or~~ loans to cover lost earnings incurred as a result of campaigning or  
16 services performed for the political committee. Such lost earnings shall be verifiable as unpaid salary, or  
17 when the individual is not salaried, as an amount not to exceed income received by the individual for  
18 services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be  
19 documented and a record thereof shall be maintained by the individual or the individual's political  
20 committee. The political committee shall maintain such information in the campaign records.

21 B. As reimbursement for direct out-of-pocket election campaign and post-election campaign  
22 related expenses made by the individual. To receive reimbursement from the political committee, the  
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1 individual shall provide the political committee with written documentation as to the amount, date, and  
2 description of each expense, and the political committee shall maintain such information in the  
3 campaign records.

4 C. As repayment of loans made by the individual to political committees, which repayment shall  
5 be reported pursuant to SMC 2.04.250. Contributions may not be used, however, to reimburse a  
6 candidate for loans made by the candidate to the candidate's own political committee or campaign in an  
7 amount totaling more than the amount provided in RCW 42.17.125(3) and WAC 390-05-400.

8 D. As payment of salary, wages and benefits or any other payment for services rendered by an  
9 individual to a campaign, but not in payment for services rendered by a candidate to that candidate's  
10 campaign.

11 Section 19. Subsection 2.04.370D of the Seattle Municipal Code is amended as follows:

12 **2.04.370 Mandatory limitations on contributions.**

13 D. No candidate for Mayor, City Council or City Attorney shall solicit or receive a campaign  
14 contribution of more than Four Hundred Dollars (\$400.00) from any person or more than Four Hundred  
15 Dollars (\$400.00) from any group of ten (10) or more persons in any election cycle; provided:

16 1. The limitations imposed by this section shall not apply to a candidate's contributions  
17 of his or her own resources to his or her own campaign; the limitations imposed by this section shall  
18 apply to the contributions of all others; and

19 2. The limitations imposed by this section shall not apply to independent expenditures as  
20 defined by this chapter; and

21 3. The limitations imposed by this section shall not apply to the value of in-kind labor.

1           4. The limitations imposed by this section shall not apply to contributions consisting of  
2 the rendering of legal, accounting, clerical, or computer services on behalf of a candidate or an  
3 authorized political committee, to the extent that the services are for the purpose of ensuring compliance  
4 with City, county, or state elections or public disclosure laws.

5           (5) Contributions to candidates for 1995, 1996, or 1997 City office campaigns received  
6 prior to the effective date of the ordinance codified in this section shall not be calculated in the  
7 contribution limitations imposed by this section.

8           Section 20. Subsection 2.04.375B of the Seattle Municipal Code is amended as follows:

9 **2.04.375       Reporting and disposition of campaign funds after election.**

10           B. The surplus funds, including each capital asset, of a candidate, ~~((or))~~ of a political committee  
11 supporting a candidate, of a political committee supporting or opposing a ballot proposition, and of a  
12 continuing political committee may be disposed of only in one (1) or more of the following ways:

13           1. Return the surplus to contributors in respective amounts not to exceed each contributor's  
14 original contribution;

15           2. Transfer the surplus to the ~~((candidate's))~~ personal account of a candidate, or of a treasurer or  
16 other individual as reimbursement for lost earnings incurred as a result of the ~~((candidate's))~~ election  
17 campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate, treasurer, or  
18 individual is not salaried, as an amount not to exceed income received by the candidate, treasurer, or  
19 individual for services rendered during an appropriate corresponding time period. All lost earnings  
20 incurred shall be documented, and a record thereof shall be maintained by the candidate, treasurer, or  
21 individual or by the ~~((candidate's))~~ political committee as the lost earnings accrue. The Committee shall  
22 ~~((include a copy of such record when its expenditure for such reimbursement is reported pursuant to~~

1 ~~RCW 42.17.090)) maintain such information as a part of the campaign records.~~

2 3. Transfer the surplus to a political party or to a caucus of the state legislature;

3 4. Donate the surplus to a charitable organization registered in accordance with RCW Chapter  
4 19.09;

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

6 6. Hold the cash surplus in the campaign depository or depositories designated in accordance  
7 with RCW 42.17.050 and in the case of capital assets hold them in the custody of the candidate or  
8 officer of the campaign committee for possible use in a future election campaign for the same office last  
9 sought by the candidate or for a future election campaign for a ballot proposition on the same topic, and  
10 report the transfer of such funds or assets as a ~~((any such))~~ disposition in accordance with RCW  
11 42.17.090 and SMC Section 2.04.260, ~~((; provided, that if))~~ If the candidate subsequently announces or  
12 publicly files for office, or if a ballot proposition political committee is established for a future  
13 proposition on the same topic, information as appropriate ~~((is))~~ shall be reported in accordance with  
14 RCW 42.17.040 through 42.17.090 and SMC Sections 2.04.170 through 2.04.260. If a subsequent  
15 office is not sought, or if a subsequent election campaign for a ballot proposition on the same topic does  
16 not occur, the surplus held shall be disposed of in accordance with the requirements of this chapter;

17 7. A ballot proposition political committee may become a continuing political committee and use  
18 the funds to support or oppose candidates and ballot propositions and must report in accordance with  
19 SMC 2.04.230 through 2.04.290; or

20 8. With the written approval of the contributor, a candidate or the candidate's political  
21 committee may use or permit the use of contributions, whether or not surplus, solicited for or received  
22 by the candidate or the candidate's political committee from that contributor to further the candidacy of

1 the individual for an office other than the office designated on the statement of organization. If the  
2 contributor does not approve the use of his or her contribution to further the candidacy of the individual  
3 for an office other than the office designated on the statement of organization at the time of the  
4 contribution, the contribution must be considered surplus funds and disposed of in accordance with this  
5 chapter.

6 Section 21. Subsection 2.04.500A of the Seattle Municipal Code is amended as follows:

7 **2.04.500 Civil remedies and sanctions.**

8 A. 1. Upon determining pursuant to Sections 2.04.070 through 2.04.090 that a violation has  
9 occurred, the Commission may issue an order requiring the party to take particular action in order to  
10 comply with the law, and in addition, or alternatively, may impose sanctions ((not to exceed One)) up to  
11 Five Thousand Dollars ((((\$1,000.00))) (\$5,000.00) for each violation. ((; however,))

12 2. Upon determining that a contribution was illegally made or accepted, in addition to the  
13 remedies in subsection (1), the Commission may ((impose a penalty of One Thousand Dollars  
14 (\$1,000.00),)) order the return of a contribution illegally made, and impose a penalty of two (2) times the  
15 amount of a contribution illegally made or accepted ((, whichever is greater,)) by a person ((or entity))  
16 who violates Section 2.04.180, 2.04.200, 2.04.210, 2.04.215, 2.04.240, 2.04.290, 2.04.300, 2.04.370, or  
17 2.04.480.

18 3. Upon determining that a report was filed excessively late, in addition to the remedies  
19 in subsection (1), the Commission may impose a penalty of two (2) times the amount of each deposit or  
20 expenditure for each deposit or expenditure that was reported excessively late. A report is excessively  
21 late if it was due more than twenty-one (21) days before the election in which the candidate or ballot  
22 proposition appeared on the ballot, but was not filed at least twenty-one (21) days before that election.

1 A report is also excessively late if it was due within twenty-one (21) days before the election in which  
2 the candidate or ballot proposition appeared on the ballot, but was not timely filed.

3 4. The Commission may (~~(in lieu of imposing sanctions,))~~ forward the determination of  
4 violation to the Seattle City Attorney or the (~~(King))~~ King County Prosecutor for prosecution. If the  
5 court finds that the violation of any provision of this chapter by any candidate or political committee  
6 probably affected the outcome of any election, the result of the election may be held void and a special  
7 election held within sixty (60) days of such finding. Any action to void an election shall be commenced  
8 within one (1) year of the date of the election in question. It is intended that this remedy be imposed  
9 freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable  
10 vote.

11 Section 22 Section 2.04.500 of the Seattle Municipal Code is further amended by adding thereto a  
12 new subsection as follows:

13 **2.04.500 Civil remedies and sanctions.**

14 \*\*\*

15 D. The following persons shall be liable for violation of this chapter, and shall be subject to all  
16 penalties, civil remedies and sanctions set forth in this section, in Section 2.04.330, or elsewhere in this  
17 chapter:

- 18 1. Each candidate whose campaign has violated any provision of this chapter;
- 19 2. Each officer of a ballot proposition political committee or continuing political committee  
20 whose committee has violated any provision of this chapter.
- 21 3. Each individual violating any provision of this chapter.

22 Section 23. Section 2.04.310 of the Seattle Municipal Code is hereby repealed.

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Section 24. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 1997, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

\_\_\_\_\_  
City Clerk

(Seal)

1           ~~((In the case of a City general election or a special election held in conjunction with City general~~  
2 ~~election, the campaign treasurer shall file a final report no later than the tenth day of May after the date~~  
3 ~~of the general election; and in the case of a special election that is not held in conjunction with a City~~  
4 ~~general election, the final report shall be filed no later than the tenth day of the sixth month after the date~~  
5 ~~of the special election.))~~

6           C. For the period beginning the first (1st) day of the fourth (4th) month preceding the date on  
7 which the special or general election is held and ending on the Friday eleven (11) days before the date of  
8 that election, the campaign treasurer shall file with the City Clerk each Friday a report of each  
9 contribution ~~((received during that period))~~ deposited during the previous seven (7) days. On the Friday  
10 eleven (11) days before the date of the election and each day thereafter until and including the Tuesday  
11 after the date of the election, the campaign treasurer shall file with the City Clerk a report of each  
12 deposited contribution on the same day ((at the time)) that ((contribution is deposited pursuant to SMC  
13 Section 2.04.180)) the deposit is made in the campaign depository.

14           D. Each such report shall contain (1) the name and address of each person making a contribution  
15 of more than Twenty-Five Dollars (\$25.00) ~~((or more))~~ or an aggregate of contributions totaling more  
16 than Twenty-Five Dollars (\$25.00) ~~((or more))~~ during the ~~((election cycle))~~ applicable period; (2) the  
17 dollar amount of each such contribution; ~~((and))~~ (3) the aggregate ~~((donated))~~ contributed by each such  
18 contributor during the applicable period~~((, in an election cycle in the case of a candidate, in a calendar~~  
19 ~~year in the case of a continuing political committee, or since the inception of the committee in the case~~  
20 ~~of a ballot issue)); and (4) the occupation and the employer's name, city and state of each individual~~  
21 whose aggregate contributions during the applicable period equal One Hundred Dollars (\$100.00) or  
22 more. Contributions ((of)) from any person that total Twenty-Five Dollars (\$25.00) or less ((from any

**SPONSORSHIP**

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

*Matthew Chan*

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**FOR CITY COUNCIL PRESIDENT USE ONLY**

COMMITTEE(S) REFERRED TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
PRESIDENT'S SIGNATURE

STATE OF WASHINGTON - KING COUNTY

80650  
City of Seattle, City Clerk

—ss.

No. ORDINANCE IN

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118569

was published on

05/16/97

The amount of the fee charged for the foregoing publication is the sum of \$ \_\_\_\_\_, which amount has been paid in full.

Subscribed and sworn to before me on

05/16/97

Notary Public for the State of Washington,  
residing in Seattle

(b) The report (which is to be filed twenty-one (21) days before the election ...)

...month after the date of the special election ... The Commission may ...

...the date of the general election, the first report shall be filed no later than the tenth (10th) day of the sixth ...

...in the case of a City general election or a special election held in conjunction with any ...

...On the tenth (10th) day of each month in which no other reports are required to be ...

...A candidate whose name will appear on the subsequent general election ballot ...

...On the tenth (10th) day of each month after the election, provided that this report shall not be required following a ...

...On the twenty-first (21st) day and seventh (7th) day immediately preceding the date ...

...At the following intervals each campaign treasurer shall file with the City Clerk a further ...

...On the day the campaign treasurer is designated, each candidate or political committee shall ...

...Section 11. Subsections A, B, C, and D of section 2.04.250 of the Seattle Municipal Code are ...

...When the continuing political committee's obligation to file reports ends as set forth in this subsection, ...

...Subsection 2.04.250.B.1 by the ballot proposition committee in which the continuing political committee ...

...A continuing political committee shall file reports as required by this chapter until the earlier of ...

...Section 17. Subsection 2.04.270(1)(b) of the Seattle Municipal Code is amended as follows:

...The effective date of the electronic filing requirements in this section shall be established by ...

...The Commission may ...

...Each candidate or ballot proposition political committee that expects to receive or receive ...

...Section 4. A new section is added to chapter 2.04 of the Seattle Municipal Code as follows:

...The person charged and the Executive Director may, by mutual agreement, stipulate to ...

...In all other cases, and in those cases in which the requirement in subsection 1.1 for ...

...If the Executive Director issues the charging document (within) between sixty (60) ...

...The hearing before the Commission shall commence as promptly as practical and no later ...

...Section 3. Subsection 2.04.015(1) of the Seattle Municipal Code is amended as follows:

...The time the campaign activity begins until the end of the period covered by the final report; and (c) for a ...

..."Applicable period" means the following periods: (a) for a candidate or a candidate's ...

...Section 2. Two new subsections are added to section 5A.1C 2.04.010 of the Seattle Municipal ...

...person incurs the obligation to make an independent expenditure, or (2) the person pays for an ...

...candidate or his/her agent or political committee (1), or the ballot proposition committee or its officers ...