



SEATTLE CITY COUNCIL
CENTRAL STAFF

Clean Campaigns Bill (Council Bill 119701)

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GENDER EQUITY, SAFE COMMUNITIES, NEW AMERICANS, AND EDUCATION COMMITTEE

DECEMBER 11, 2019

Agenda

1. Existing Conditions

- a. Spending in Seattle elections
- b. Summary of Seattle's current campaign finance regulations

2. Clean Campaigns Proposal (CB 119701)

- a. Limits contributions to independent expenditure committees
- b. Prohibits foreign contributions
- c. Requires transparency in political advertising

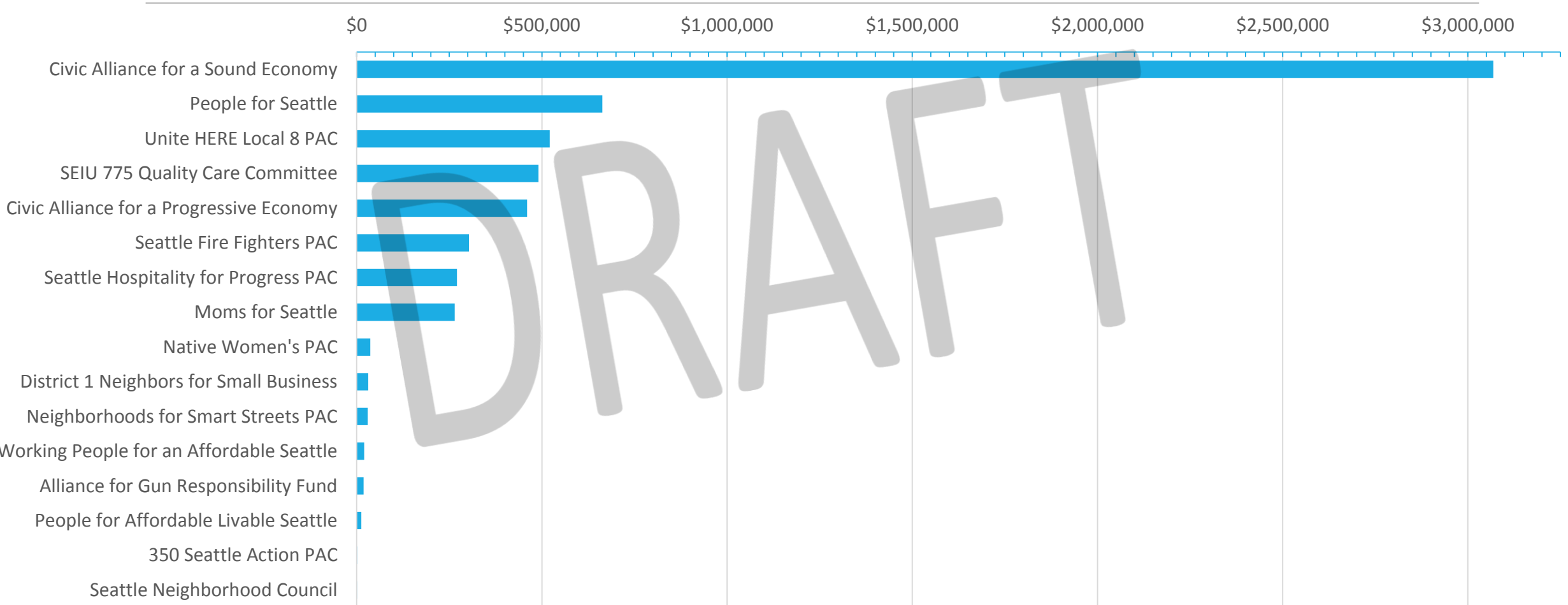
Spending for or against General Election City Council candidates

Year	City Council Races	Independent Expenditures (IEs) for or against candidates	Cash and In-Kind Contributions to Candidates	Democracy Voucher Contributions to Candidates	Total \$ Spent For or Against General Election Candidates	% of Spending for or against General Election Candidates by IEs	Total Spending in All Races
2011	5	\$0	\$1,672,288	N/A	\$1,672,288	0.0%	\$2,875,209
2013	4	\$3,577	\$933,866	N/A	\$937,443	0.4%	\$3,723,741
2015	9	\$669,340	\$2,707,044	N/A	\$3,376,384	19.8%	\$6,141,227
2017	2	\$225,867	\$323,416	\$964,550	\$1,513,833	14.9%	\$6,992,677
2019	7	\$4,047,134	\$1,819,300	\$1,427,737	\$7,294,171	55.5%	\$13,687,258

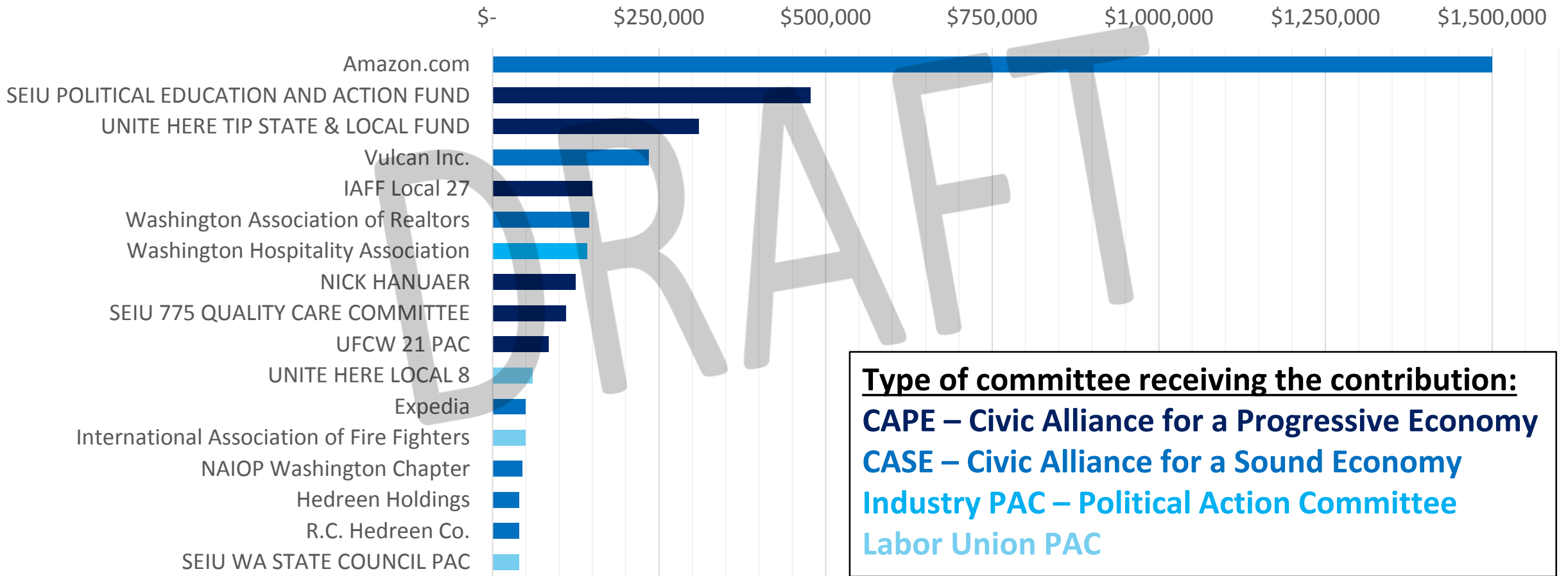
Source: Seattle Ethics and Elections Commission, www.seattle.gov/ethics/

Numbers as of December 3, 2019. Expenditures include both primary and general election expenditures for and against the general election candidates. Spending was deemed to be “for” a general election candidate if they were either for the general election candidate, or against their general election opponent at any point during a campaign. Total spending in all races includes spending by IE Committees that was not directed at a particular candidate, including the IE Committee’s staffing and fundraising expenses. Of the money spent by IE committees, one third was spent on overhead.

Total Contributions to 2019 Independent Expenditure Committees



Top 15 Contributors to Independent Expenditure Committees in 2019



Key Terms

“Person”: individual, partnership, joint venture, public or private corporation, association, government, candidate, committee, political committee, continuing political committee, political party, or any other organization or group of persons

“Contribution”: transfer of anything of value that is less than full consideration

“Political committee”: any person planning to receive contributions or make expenditures in support of or opposition to a candidate or ballot proposition

“Independent expenditure”: expenditure on behalf of or opposing a campaign, when:

- It is made independent of a campaign
- Is made without consent, collusion, or cooperation of a campaign
- Is not a contribution

Seattle's Campaign Contribution Limits

	Candidates Collecting Democracy Vouchers		Candidates Not Collecting Democracy Vouchers	
Maximum Contribution	Councilmembers	\$250	All Candidates	\$500
	City Attorney	\$250		
	Mayor	\$500		

- No limits on contributions to political committees
- Contributions to candidates and political committees must be disclosed
- Campaigns may not participate in independent expenditures

Foreign Contributions

- No Seattle regulations regarding foreign contributions.
- Federal law prohibits contributions from foreign nationals* and foreign principals** in connection with any election – federal, state or local.
- Domestic subsidiaries of foreign corporations are eligible to contribute if the foreign parent doesn't finance election-related contributions or expenditures.

* Green card holders may contribute

** A “foreign principal” is a group organized under the laws of another country or having its principal place of business in a foreign country, including foreign governments, political parties, partnerships, associations, and corporations.

Political Advertising

Commercial advertisers must maintain documents and books of account, including:

- Names and addresses of persons placing an advertisement
- Nature and extent of the advertising
- Cost and method of payment

Documents and books of account must be open for public inspection:

- During normal business hours
- During election and for at least three years after the election

Requirements only apply for campaigns, not legislative activity.

Penalties

- Violations of election campaign contribution regulations: up to \$5,000 and return of contribution
- Illegal contributions: greater of up to two times the contribution amount OR \$5,000 and return of the contribution
- May be sent for prosecution
- Court may void the election if the violation probably affected the election.

Clean Campaigns: Independent Expenditures Definitions

“Independent Expenditure Committee”: political committee that makes (1) an independent expenditure or (2) contributions to other independent expenditure committees, greater than \$1,000 or more in an election cycle.

“Limited Contribution Committee”: A political committee that:

- Has existed for at least 9 months;
- Receives contributions of at least 150 persons if spending on district council races;
- Receives contributions of at least 400 persons if spending on at-large council and city attorney races;
- Receives contributions of at least 600 persons if spending on mayoral races; and
- Only accept contributions less than \$500 or from other limited contribution committees.

Clean Campaigns: Independent Expenditures Regulations

- Contributions to independent expenditure committees for Seattle campaigns limited to \$5,000 per person.
- No limit on contributions from limited contributor committees.

Clean Campaigns: Foreign Contributions

Definitions

“Foreign Investor”: foreign government; foreign political party; company operating in foreign country or incorporated under foreign laws; or individual that is neither a citizen nor a permanent resident

“Foreign Owner”: foreign investor, or corporation where a foreign investor holds

“Foreign-Influenced Corporation”:

- Single foreign owner controls 1% or more; or
- Two or more foreign owners control 5% or more; or
- Foreign owner participates directly or indirectly in corporate decision-making regarding political activities

Clean Campaigns: Foreign Contributions Definitions

“Chief Executive Officer”: highest-ranking officer or decision-maker in a corporation

“Corporation”: a corporation, company, limited liability company, limited partnership, business trust, business association, other similar entity

Clean Campaigns: Foreign Contributions Regulations

- Foreign-influenced corporations may not (1) make Independent Expenditures or (2) contribute to independent expenditure committees.
- Corporations making Independent Expenditures or contributing to independent expenditure committees must certify they are not foreign-influenced.

Clean Campaigns: Political Advertising

- Defines “**Qualified Public Communication**” (QPC) as a paid advertisement intended to influence political decisions
- Requires documents and books of account be kept for QPCs for four years after the QPC occurs.
- Requires reporting:
 - Leaders of corporations placing QPCs
 - Rates charged for advertisement
 - Subject of advertisement (names of candidates, election, legislative issue)
 - Names of candidates, candidate committees, treasurers

Questions?