

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Lish Whitson/206-615-1674	N/A

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE related to elections; limiting independent expenditures by foreign-influenced corporations and contributions to independent expenditure committees and clarifying reporting requirements; amending Sections 2.04.010, 2.04.260, 2.04.270, 2.04.280, 2.04.360, and 2.04.370 of the Seattle Municipal Code (SMC); and adding a new Section 2.04.400 to the SMC.

Summary and background of the Legislation:

This bill would amend the City’s regulations regarding campaign finance limits and reporting of campaign expenditures. It addresses three gaps in the City’s election regulations that can undermine the integrity of the City’s elections and increase the risk of corruption or the appearance of corruption, including quid pro quo corruption.

The first change is to prohibit donations from foreign-owned companies. It will define “foreign-influenced corporation,” “foreign investor” and “foreign owner.” The bill requires corporations that intend to make contributions to campaigns to certify that they are not foreign-influenced corporations. It prohibits independent expenditure committees from accepting contributions from foreign-influenced corporations.

The second change is to limit contributions to independent expenditure committees. It defines “independent expenditure committee” as a political committee that makes independent expenditures (uncoordinated with a candidate or ballot proposition campaign.) The legislation sets a \$5,000 cap on contributions by persons to independent expenditure committees for use in elections in the City of Seattle in any election cycle. A “limited contribution committee,” one that only accepts donations up to \$500 a person, would be able to contribute above these limits.

The third change is to clarify the reporting requirements for commercial advertisers. It defines a “qualified public communication” as a paid advertisement regarding a political matter of local importance, such as legislation. The bill requires that commercial advertisers maintain public records regarding qualified public communications.

Each of these changes is intended to increase transparency in elections in the City of Seattle, reduce foreign influence over elections and protect the integrity of Seattle’s elections and campaign finance system.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

The Seattle Ethics and Elections Commission has indicated that they would require additional staff to enforce these and existing regulations. One Strategic Advisor 1 position to enforce these and other Election regulations would cost approximately \$149,000 in 2020.

Is there financial cost or other impacts of *not* implementing the legislation?

None

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

3.e. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

3.f. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes, the Seattle Ethics and Elections Commission would enforce the legislation.

b. Is a public hearing required for this legislation?

No

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

e. Does this legislation affect a piece of property?

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

None identified

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

Not applicable

List attachments/exhibits below:

None