

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Mayor's Office		Greg Shiring

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to publicly-financed election campaigns; providing for the submission to the qualified electors of the City at an election to be held on August 5, 2025, of a proposition authorizing the City to levy regular property taxes for up to ten years in excess of the limitation on levies in chapter 84.55 RCW for the purpose of funding the cost and administration of the City's Democracy Voucher program and other City purposes; outlining a process for contemplation of changes to the program; applying RCW 84.36.381's senior citizens and disabled persons exemption to such levy; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This ordinance would submit a 10-year levy lid lift proposal to the voters of Seattle for their approval on the August 5, 2025, primary election ballot for the purposes of funding the City's Democracy Voucher program.

The proposal would renew and expand the previous 10-year levy. Under the authority of RCW 84.55, the levy renewal proposal would authorize property tax collection up to \$4,500,000 in the first year and an estimated total of \$45,000,000 of revenue over 10 years that would be dedicated exclusively to the Democracy Voucher program.

If the levy is approved by the voters, the 2026 total regular tax limit would increase by approximately \$0.015 per \$1,000 in assessed value. Qualifying low-income seniors, veterans and people with disabilities who own their principal residence within the City of Seattle would be exempt from the levied amount as authorized under RCW 84.36.381. In King County, the exemption currently extends to homeowners above age 61 or with a disability rating of at least 80%, with a household income under \$84,000. Revenue projections in this ordinance and fiscal note are inclusive of anticipated exemptions offered under RCW 84.36.381.

This proposal would build on the success of the current levy, which has had a dramatic impact on Seattle elections. More than 105,000 Seattle residents contributed their vouchers in the last 10 years. Seattle elections are now financed overwhelmingly by City residents, compared to roughly a third of the money flowing from outside the City previously. More candidates are mounting campaigns than ever before, and they are running competitive races.

The Democracy Voucher program was approved by voters in November 2015 and has provided \$30 million in revenue over the past 10 years (\$3 million each year from 2016 through 2025). The increase to \$45 million over the next ten years is an annual increase of approximately 4.1% from the initial 2016 funding level and will provide for basic inflationary increases; primarily

increases in election costs (higher payments to candidates), and increased candidate participation.

Finally, this legislation requests that the Executive, the City Council, and the Ethics and Election Commission convene a workgroup in 2026 to make recommendations to the Mayor and City Council on potential improvements to the Democracy Voucher program, including addressing the role of Political Action Committees in City elections.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

This legislation provides for a levy proposal to be placed on the ballot, which, if approved, would provide an estimated \$45 million of dedicated revenue for the City's Democracy Voucher program over ten years. These revenues are not added to the City's budget through this legislation but will be accounted for in separate legislation if the levy is approved.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time, or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

As noted above, this legislation does not directly impact the adopted budget. Appropriations, position changes and acceptance of additional revenue will be approved in separate legislation if voters approve the levy.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.

Without a new levy, the City's Democracy Voucher program would not have a dedicated funding source and would need to instead rely on the City's General Fund for support. For several years, the City's General Fund has faced a medium-term structural deficit, so shifting the cost of the voucher program from levy funding to General Fund would likely require reductions to existing City services.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The City's Ethics and Election Commission and the Executive Director and staff of the Ethics and Elections Commission administer the City's Democracy Voucher program. Members of the Executive branch, Legislative branch, and the Ethics and Elections Commission are requested to convene a workgroup in 2026 to suggest improvements to the program.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

No.

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

Professor Jen Heerwig at SUNY Stonybrook has conducted research that shows historically disadvantaged populations playing a larger role in financing campaigns than they did prior to the advent of the program. Additionally, members of historically disadvantaged communities are running, and winning, in numbers not seen since the City experimented with public financing of elections in the early 1990s.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

N/A

iii. What is the Language Access Plan for any communications to the public?

The first levy required that key program materials be translated into multiple languages. The Ethics and Elections Commission ensures that program materials are translated (materials are currently available in 20 languages); that it purchases media in a wide variety of languages; and that it contracts with community-based organizations for outreach into diverse communities.

d. Climate Change Implications

i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.

N/A

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

If approved by the voters, this levy increases the amount of the Democracy Voucher program revenues from \$3 million annually to \$4.5 million annually to reflect inflation since 2015 and the popularity of the program.

5. CHECKLIST

- Is a public hearing required?**
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments: None.