

June 15, 2018

MEMORANDUM

To: Government, Equity and Technology Committee
From: Lish Whitson, Council Central Staff
Subject: Council Bill 119279, modifying the democracy voucher program

The Seattle Ethics and Elections Commission (Commission) has recommended adoption of Council Bill (CB) [119279](#), which would make changes to the democracy voucher program. In 2015, Seattle voters approved [Initiative 122](#) and created the democracy vouchers program, which provides voter-approved levy funding for campaigns for City of Seattle elected offices. Funding through the democracy voucher program first became available to candidates participating in the November 2017 election. Following [reviews](#) of the program, the Commission made recommendations for changes that are included in CB 119279. The bill includes improvements to the democracy voucher program as well as simplifications and clarifications to [Chapter 2.04 of the Seattle Municipal Code](#) (SMC). Substantive recommended changes are described in a [table](#), that was prepared by the Commission.

The Government, Equity and Technology Committee (Committee) discussed the changes in CB 119279 at its May 15 meeting. On Tuesday, June 19, the Committee will discuss and may vote on CB 119279. This memo presents three proposed amendments to the legislation.

Proposed amendments

Amendment 1 (Councilmember González):

This amendment would require notification of inactive voters that they have the opportunity to request democracy vouchers if they continue to reside in Seattle. Voters are placed on the inactive voter list if mail is returned to King County Elections as undeliverable or if notification is provided that the voter has moved out of King County. This amendment would require an additional notice to those voters that they are on the inactive voters list and that they have the option of requesting democracy vouchers if they continue to live in Seattle.

Amendment 2 (Councilmember González):

This amendment would clarify that candidates who participate in the program but lose in the primary have until the first work day in September to redeem democracy vouchers. This will allow for more clarity regarding deadlines for primary candidates and will provide for some time to close up a primary campaign after a loss.

Amendment 3 (Councilmember González):

This amendment would increase the donation requirements and maximum campaign valuation limits for candidates for city attorney. The current limits for city attorney candidates are equivalent to the requirements for district city council candidates: 150 donations in order to participate in the program and a maximum total campaign valuation of \$150,000, including both donations and democracy voucher proceeds. This amendment would increase those requirements and limits to 400 donations and \$300,000 to be consistent with limits and requirements applied to citywide council candidates.

Amendment 4 (Councilmember Bagshaw):

This amendment would restore the deadlines set out in I-122, allowing additional time for candidates to receive vouchers. I-122 included a deadline of the first business day of a municipal election year for the mailing of democracy vouchers. Based on public input, the Commission recommended moving that deadline to the first business day of March.

Attachments:

- A. Amendment 1: Notification of Inactive Voters
- B. Amendment 2: Redemption of democracy vouchers after the primary
- C. Amendment 3: City Attorney candidate limits
- D. Amendment 4: Voucher mailing deadlines

cc: Kirstan Arestad, Central Staff Director
Dan Eder, Deputy Director

Attachment A: Amendment 1 to Council Bill 119279

Notification of Inactive Voters

Sponsor: Councilmember González

This amendment would require the Seattle Ethics and Elections Commission (SEEC) to notify inactive voters that they have been listed as inactive by King County Elections, but that if they remain a City of Seattle resident, they still have the opportunity to receive Democracy Vouchers. This would be less costly than the current process of mailing a Democracy Voucher packet to all registered voters. It would cost more than Council Bill 119279 as proposed by the SEEC, which would not require any notification of inactive voters.

A voter is declared “inactive” if an election-related piece of mail is returned by the post office as undeliverable to the voter at that address, or if a voter has moved out of King County. Voters may return to active status at any time by updating their address with King County elections, requesting a ballot, or submitting a new voter registration application. The Honest Elections initiative required mailing of Democracy Vouchers to all registered voters, whether active or inactive. Out of the approximately 55,000 inactive voters that were mailed Democracy Vouchers in 2017, only 29 returned them.

The SEEC has recommended that they not mail Democracy Vouchers to inactive voters. Instead, inactive voters would need to request Democracy Vouchers from the Commission. This amendment, as an intermediate step, would require the Commission to contact inactive voters to notify them that they are inactive and inform them regarding how to receive Democracy Vouchers.

Double underlines indicate proposed new language added by the amendment. Single underlines indicate language proposed to be added to the Seattle Municipal Code by the underlying legislation.

~~Double strikeouts~~ indicate language that would be removed from the Council Bill by the amendment. Single strikeouts indicate language that proposed to be removed from the Seattle Municipal Code by the underlying legislation.

Amend Section 2.04.620 as follows:

2.04.620 (~~The Right to \$100 in Democracy Vouchers, For Assignment to Qualified Candidates.~~) Democracy voucher issuance

~~((a) Democracy Vouchers. Democracy Vouchers are vital to ensure the people of Seattle have equal opportunity to participate in political campaigns and be heard by candidates, to strengthen democracy, fulfill other purposes of this subchapter and prevent corruption.~~

~~(b) Issuance of Democracy Vouchers.)~~

A. ((On the)) No later than the first business day in ((every municipal election year)) March, ((SEEC)) the Commission shall mail to each person who was, by the previous ((November 15th)) December 31, duly registered to vote in ((the City of)) Seattle and an active

Attachment A: Notification of Inactive Voters

voter under RCW 29A.08.615 (as amended by Chapter 109, Laws of 2018), at ~~((his or her))~~ the person's address in the voter registration records, ~~(((\$100 in vouchers ("Democracy Vouchers") consisting of))~~ four ~~((Democracy Vouchers))~~ democracy vouchers of \$25 each, except that ~~((SEEC))~~ the Commission may deliver ~~((Democracy Vouchers))~~ democracy vouchers online or in another manner~~((s))~~ if the person ~~((receiving same elects other manner of delivery))~~ chooses, as provided in this ~~((subchapter))~~ Section 2.04.620. Thereafter, ~~((SEEC))~~ the Commission shall regularly issue ~~(((\$100 in Democracy Vouchers))~~ four \$25 democracy vouchers to any person becoming a duly registered ~~((City of))~~ Seattle voter after the previous ~~((November 15th))~~ December 31, up until at least October 1~~((st))~~ of the election year, with regular issuance after October 1 allowable in the Commission's discretion. Democracy vouchers may be mailed or emailed to an address other than that indicated in the voter registration records.

B. ~~((To be consistent with federal law, any adult natural person who resides more than 30 days in the City of Seattle, and who is a registered voter, or is eligible to vote under local, state or federal law, or who is eligible under federal law to donate to a political campaign, but who has not received any Democracy Vouchers in the election cycle,))~~ Any adult natural person may opt in to the ~~((Program))~~ program and obtain ~~((an equivalent number of Democracy Vouchers))~~ democracy vouchers by application to ~~((SEEC))~~ the Commission if the person is eligible under federal law to donate to a political campaign, has continuously resided in Seattle for at least 30 days immediately preceding the application, and has not received any democracy vouchers in the election cycle. ~~((Any eligible adult may request Democracy Vouchers be mailed or emailed to an address other than that indicated in the voter registration records, or be delivered at SEEC offices, as soon as SEEC shall have developed a secure system for such distributions of Democracy Vouchers, including distribution online, in person, or to an address not listed in voter~~

Attachment A: Notification of Inactive Voters

~~registration records. No resident outside Seattle, no corporation or other non-human entity, no person under the age of 18 years, and no person ineligible to make political contributions under federal law, may receive a Democracy Voucher.))~~

C. On the date that the Commission mails democracy vouchers to active voters, the Commission shall also notify inactive voters of their status as an inactive voter and their opportunity to receive democracy vouchers from the Commission.

This amendment would clarify that candidates who participate in the democracy voucher program but lose in the primary to collect and redeem the vouchers up to one month after the primary. Under Council Bill 119279, candidates in the general election would be able to be redeem vouchers through November. It is not clear whether primary candidates would be able to redeem vouchers after the date of the primary election. This amendment would clarify that they have the remainder of August to redeem any vouchers, in order to help them close up the campaign and pay off any outstanding election expenses.

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Amend Section 2.04.632 as follows:

2.04.632 Democracy voucher redemption

A. After receiving a democracy voucher pursuant to subsection 2.04.624.A, the

Commission shall disburse the value of the voucher proceeds only:

1. If redemption shall not put the candidate over the maximum campaign

valuation;

2. If Program funds are available;

3. After verifying the democracy voucher was received from an eligible person;

and

4. After verifying the democracy voucher signature. To verify signatures, the

Commission may contract with King County Elections.

B. The Commission shall redeem democracy vouchers on regular redemption dates no less than twice a month. ~~The Commission shall not redeem any democracy voucher it receives after the first business day in the month of December.~~

C. A candidate may collect democracy vouchers for the general election before the primary election takes place and allocate democracy vouchers to the general election without such vouchers counting against the maximum campaign valuation for the primary election. A qualified candidate may not redeem democracy vouchers for the general election unless that candidate advances to the general election.

D. The Commission shall not redeem any democracy voucher it receives from a candidate that does not advance to the general election after the first business day in the month of September. The Commission shall not redeem any democracy voucher it receives from a general election candidate after the first business day in the month of December.

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Attachment C: Amendment 3 to Council Bill 119279

City Attorney candidate limits

Sponsor: Councilmember González

This amendment would increase the requirements for signature-gathering and limits for use of democracy vouchers for City Attorney candidates. Under the Honest Elections initiative, candidates for the position of city attorney have much lower signature caps and much lower democracy voucher limits than the limits for other citywide elected officials.

To participate in the democracy vouchers program, Candidates have a threshold requirement that they receive a certain number of qualifying contributions. Qualifying contributions are campaign contributions from City residents between \$10 and \$250 (or \$500 for Mayoral candidates). Under the current code and Council Bill 119279, qualifying for the democracy voucher program limits are as follows:

Position	Minimum donations to qualify for democracy vouchers	Maximum primary campaign valuation	Maximum total campaign valuation for the primary and general election
Mayor	600	\$400,000	\$800,000
At-large City Councilmember	400	\$150,000	\$300,000
City Attorney	150	\$75,000	\$150,000
District Councilmember	150	\$75,000	\$150,000

This amendment would increase the limits for City Attorney to match those of At-large City Councilmembers, in recognition of their citywide status. This also responds to contributions and spending seen in the 2017 election:

Position	General Election Candidate	Total expenditure for the primary and general election [†]	Number of donors
Mayor	Durkan	\$1,056,545	4,327
	Moon	\$571,524	1,091
City Attorney	Holmes*	\$221,421 [‡]	2,889
	Lindsay	\$153,762	591
City Council Position 8	Grant*	\$359,451 [‡]	4,354
	Mosqueda*	\$458,960 [‡]	5,110
City Council Position 9	González*	\$297,158	4,360
	Murikami*	\$172,397	2,358

* Candidate participated in democracy voucher program

[†] Includes funds raised by the candidate, democracy voucher proceeds and independent expenditures on the candidate's behalf.

[‡] Candidates were released from the democracy voucher campaign spending limits because expenditures on behalf of their opponents exceeded the maximum campaign valuation.

Attachment C: City Attorney candidate limits

Note:

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Amend Section 2.04.630 C as follows:

~~2.04.630 ((Candidates to Qualify By Showing Grass Roots Support and Agreeing to New Campaign and Contribution Limits; Redemption of Democracy Vouchers; New Limits on Use of Funds.)) Candidate qualification~~

* * *

~~((c) Qualifying Contributions.))~~ C. To qualify for the ~~((Democracy Voucher))~~ Program, candidates shall show they have received at least the following numbers of ~~(("Qualifying Contributions"))~~ qualifying contributions of at least \$10 but not more than the Program contribution limit for the office sought provided in ~~((SMC))~~ subsection 2.04.630((b)), B from ~~((individual adults (18 years of age or older), who are human natural persons residing in the City of Seattle, and))~~ adult Seattle residents eligible under federal law to make political contributions: Mayoral candidates, ~~((at least))~~ 600; City Attorney candidates, ~~((at least))~~ 150-400; at-large City Council candidates, ~~at~~~~((least))~~ 400; and district City Council candidates, ~~((at least))~~ 150 (of which at least 75 shall be from individuals residing in ~~((the))~~ that district ~~((sought to be represented by the candidate))~~). ~~((SEEC))~~ The Commission shall maintain a list of qualified candidates and make it readily accessible to the public, including by publishing it on ~~((SEEC's))~~ the Commission's website.

* * *

Amend Section 2.04.634 A as follows:

2.04.634 Campaign valuations, releases, and use of proceeds

A. Participating candidates shall comply with all campaign laws and not exceed the corresponding maximum campaign valuation. A campaign valuation is:

1. The value of unredeemed democracy vouchers assigned to the candidate that the candidate may redeem without exceeding the maximum in Table A for 2.04.634; plus

2. The greater of:

a. Total contributions received; and

b. Money spent to date (equal to prior expenditures, plus debts and obligations).

The figures in Table A for 2.04.634 are the maximum campaign valuations for participating candidates and the campaign valuations for releases under subsection 2.04.634.B.

<u>Table A for 2.04.634 Campaign valuations</u>		
<u>Position</u>	<u>Primary election (\$)</u>	<u>Total for primary and general elections (\$)</u>
<u>Mayor</u>	<u>400,000</u>	<u>800,000</u>
<u>At-large City Councilmember</u>	<u>150,000</u>	<u>300,000</u>
<u>District City Councilmember</u>	<u>75,000</u>	<u>150,000</u>
<u>City Attorney</u>	<u>150,00075,000</u>	<u>300,000150,000</u>

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Attachment D: Amendment 4 to Council Bill 119279

Date of voucher mailing

Sponsor: Councilmember Bagshaw

This amendment would restore the current date for mailing democracy vouchers to registered voters. The Seattle Ethics and Elections Commission (Commission) had recommended moving up the date to the first business day in March. This amendment would restore the dates included in the Honest Elections initiative to provide more time for candidates to collect vouchers.

Note:

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A dashed underline indicates language proposed to be removed from the Seattle Municipal Code by the underlying legislation, that would be restored by the amendment.

Amend Section 2.04.620 A as follows:

2.04.620 (~~The Right to \$100 in Democracy Vouchers, For Assignment to Qualified Candidates.~~) Democracy voucher issuance

~~((a) Democracy Vouchers. Democracy Vouchers are vital to ensure the people of Seattle have equal opportunity to participate in political campaigns and be heard by candidates, to strengthen democracy, fulfill other purposes of this subchapter and prevent corruption.~~

~~(b) Issuance of Democracy Vouchers.)~~

A. ~~((On the))~~ No later than the first business day in (~~every municipal election year~~) ~~March~~, ~~((SEEC))~~ the Commission shall mail to each person who was, by the previous ~~((November 15th))~~ ~~December 31~~, duly registered to vote in ~~((the City of))~~ Seattle and an active voter under RCW 29A.08.615 (as amended by Chapter 109, Laws of 2018), at ((his or her)) the person's address in the voter registration records, ((\$100 in vouchers ("Democracy Vouchers")) consisting of) four ~~((Democracy Vouchers))~~ democracy vouchers of \$25 each, except that ~~((SEEC))~~ the Commission may deliver ~~((Democracy Vouchers))~~ democracy vouchers online or

Attachment D: Date of voucher mailing

in another manner((s)) if the person ((~~receiving same elects other manner of delivery~~)) chooses, as provided in this ((~~subchapter~~)) Section 2.04.620. Thereafter, ((~~SEEC~~)) the Commission shall regularly issue ((~~\$100 in Democracy Vouchers~~)) four \$25 democracy vouchers to any person becoming a duly registered ((~~City of~~)) Seattle voter after the previous ((~~November 15th~~)) December 31, up until at least October 1((~~st~~)) of the election year, with regular issuance after October 1 allowable in the Commission's discretion. Democracy vouchers may be mailed or emailed to an address other than that indicated in the voter registration records.

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