

Memo

To: Commission

From: Wayne Barnett

Date: June 2, 2017

Re: Released from Campaign Spending and/or Individual Contribution Limits

Executive Summary

Candidates who choose to enter the Democracy Voucher program are bound by campaign spending limits and lower individual contribution amounts than non-participating candidates. There is an overall spending limit for the year and only half of that limit can be spent for candidates who have a primary election. Candidates who are nearing or at their Primary or overall spending limit may apply to be released from certain program requirements if their opponent's¹ spending is materially beyond the campaign spending limit.

Law and Resources

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.

...

(b) Requirements for Program. To seek qualification, the candidate shall file with SEEC, on or after July 1st the year before an election year and within two weeks after filing a declaration of candidacy, a sworn statement attesting to his or her intent to participate, asserting that the candidate shall timely file or has filed a declaration of candidacy for the office indicated, and that the candidate shall comply with Program requirements and applicable campaign laws. Such Program requirements are that the candidate: shall take part in at least three public debates for primary and general elections each (as defined by SEEC, and SEEC may waive or reduce the number of debates, if a qualifying candidate makes all reasonable efforts to participate in debates and similar public events); shall comply with campaign laws and spending and contribution

¹ The process for requesting and considering release is not impacted by whether the opposing candidate is a program candidate or not.

limits; and, the candidate shall not knowingly solicit money for or on behalf of any political action committee, political party, or any organization that will make an independent expenditure for or against any City of Seattle candidate within the same election cycle (for the purposes of this section, appearing as a featured speaker at a fundraising event for a committee or entity shall constitute soliciting money for such committee or entity). Further Program requirements are that a candidate for Mayor shall not solicit or accept total contributions from any individual or entity in excess of a total of \$500 during one election cycle, and a candidate for City Attorney or City Council shall not solicit or accept total contributions from any individual or entity in excess of a total of \$250 during one election cycle (including any contribution used to qualify for Democracy Vouchers, but excluding the value of Democracy Vouchers assigned to such candidate) (subject to exceptions provided herein).

...

(d) Campaign Spending Limit. Participating candidates shall comply with all campaign laws and not exceed the following "Campaign Spending Limits" (defined as (i) money spent to date (equal to prior expenditures, plus debts and obligations), and the value of any in kind donations reported, plus (ii) cash on hand and (iii) the value of unredeemed Vouchers on hand which the candidate shall have allocated to the primary or general election): Mayor \$400,000 for the primary election, and \$800,000 total (for both primary and general election); City Attorney, \$75,000 for the primary election, and \$150,000 total; at-large City Council, \$150,000 for the primary election, and \$300,000 total; district City Council, \$75,000 for the primary election and \$150,000 total.

(e) Further Limits on Redemption. A qualified candidate may collect Democracy Vouchers for the general election before the primary election takes place and allocate same to the general election without such Vouchers counting against the Campaign Spending Limit for the primary election, but may not redeem Vouchers for the general election unless such candidate advances to the general election.

(f) Remedies for Exceeding Campaign Spending Limit. If a qualified candidate demonstrates to SEEC that he or she has an opponent (whether or not participating in the Program) whose campaign spending has exceeded the Campaign Spending Limit for the position sought as indicated above, where SEEC deems the excess material it shall allow such candidate to choose to be released from the Campaign Spending Limit and campaign contribution limits for the Program, in which case SEEC shall allow such candidate to redeem his or her Democracy Vouchers received theretofore or thereafter up to the amount of the Campaign Spending Limit only, then allow such candidate to engage in campaign fundraising without regard to any Program requirements. SEEC shall also release a qualifying candidate from the Campaign Spending Limit to the extent that it is shown (on application of a Seattle candidate or citizen) that said qualified candidate faces independent expenditures as defined in SMC 2.04.010 adverse to the candidate or in favor of an opponent and the sum of such independent expenditures plus said

candidate's opponent's campaign spending materially exceeds the Campaign Spending Limit for that office.

Democracy Voucher Program Spending and Contribution Limits	City Attorney	City Council At-large	City Council District	Mayor (2021)
Individual Contribution Limit * Democracy Voucher value not included	\$250*	\$250*	\$250*	\$500
Campaign Spending Limits Primary Election Only	\$75,000	\$150,000	\$75,000	\$400,000
Combined Campaign Spending Limits for Primary and General Election	\$150,000	\$300,000	\$150,000	\$800,000

Table 1: Spending and contribution limits per position.

The Process

Campaigns may apply to the Seattle Ethics and Elections Commission to be released from the spending and/or individual contribution limits.

1. Release from both program spending and program contribution limit:
 - a. A candidate must demonstrate to the SEEC that an opponent's campaign spending has materially exceeded the program participant's spending limit.
 - i. Must be demonstrated by the qualified candidate.
 - ii. If released, the candidate must adhere to the Elections Code's \$500 individual contribution limit.
2. Release from the spending limit only:
 - a. A candidate must show the SEEC that the combination of an opponent's campaign spending and independent expenditure in favor of the opponent or adverse to the candidate has materially exceeded the program participant's spending limit.
 - i. Application for release can be made by a Seattle candidate or citizen.

In either release scenario, the candidate may continue to collect vouchers but those vouchers will not be redeemed beyond the spending limit for either the Primary or overall.

A candidate who is released from either limit is still considered a program candidate, subject to program rules and at no time may the candidate redeem vouchers in excess of the Program Campaign Spending Limits.

If vouchers in excess of the Campaign Spending limit are received at the SEEC for candidates who are in a released state, and the results of the Primary are not yet known, those vouchers will be held until the results of the Primary are known. If the candidate advances to the General, the value of the held vouchers will be released to the candidate up to the overall spending limit.

Questions for the Seattle Ethics and Elections Commission -- Program Candidate Advances to the General

1. When a candidate is released from the spending limit ahead of the results of the Primary, is the release only from the Primary spending limit or is the release from the combined spending limit?
2. If ahead of the Primary a candidate is released from the spending limit and/or the contribution limit, when does the next period begin?
 - a. At that point, do all program requirement reinstate?
 - i. City Attorney and City Council candidates adhere to a \$250 contribution limit, not including voucher donations?
 - ii. Not exceed campaign spending limits without seeking and again being released?
3. How shall the SEEC determine when the results of the Primary are known?
 - a. Options include:
 - i. Certification Day
 - ii. Mathematically impossible
 - iii. Candidate concedes