Seattle Ethics and Elections Commission
Elections Code Rules (rev. 6/12)

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Rule 1 Definitions

The following definitions supplement those in SMC 2.04.010, and clarify the meaning of terms used in the Elections Code and these rules.

A. "aggregate" means:

1. for a campaign, a total of all contributions received or expenditures made by a candidate or committee, together with all contributions received or all expenditures made by all political committees, together with all contributions received or all expenditures made by all political committees formed by or with the knowledge or consent of such candidate or committee in connection with such campaign;

2. for a contributor to a candidate or ballot issue committee, the total of all contributions made by the person to the specific candidate or political committee during an election cycle; or

3. for a contributor to an office fund or for a continuing political committee, the total of all contributions made by the person to the elected official in a calendar year.

B. "candidate," as defined in SMC 2.04.010(8), includes an individual who (1) consents to the existence of a political committee promoting the election of such individual for public office; (2) solicits campaign pledges contingent on candidacy; or (3) publicly declares his or her candidacy, even if the candidacy is conditioned on a future occurrence.

C. "cost of consumable" means the cost of food, beverages, preparation, catering or entertainment furnished at an event.

D. "contribution" includes services, property or rights furnished on a discriminatory basis or at less than fair market value, for the purpose of assisting any candidate or political committee.

EXAMPLE: A person who is normally paid to be a campaign consultant assists in the development of political advertising for a campaign. The campaign must report the fair market value of the person's time as an in-kind contribution to the campaign.

E. "contribution" excludes the following:

1. news, feature, or editorial comment in a broadcast media program or in a regularly scheduled issue of a printed periodical that communicates ratings, evaluations, endorsements, or recommendations for or against a candidate or ballot proposition; PROVIDED, that the medium is controlled by a person whose primary business is broadcasting or publishing, and this person is not a candidate or political committee;

2. internal publications or other communications containing political comment of (a) a corporation or similar enterprise for its officers, management staff, and stockholders, (b) a union, association, or other membership organization for its members, or (c) a political party organization or political committee for its members or contributors; PROVIDED that only those persons who by an affirmative act knowingly become affiliated with an organization will be considered "members" by virtue of being able to vote, directly or indirectly, for at least one member of that organization's governing board;

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3. messages in the form of reader boards, banners, yard or window signs displayed on a person's own property or property occupied by that person: PROVIDED, that any facility used for such political advertising for which a rental charge is normally made shall be reported as an in-kind contribution and shall count towards the contribution limit of the person providing the facility;

4. use of a candidate's home or personal home office equipment;

5. legal and accounting services rendered to or on behalf of a candidate or an authorized political committee if the person rendering the services is volunteering his or her time, or if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with City, County or State election or public disclosure laws.

F. "clerical services," to the extent that the services are rendered for the purpose of ensuring compliance with City, County or State elections or public disclosure laws in SMC 2.04.370(4), means activity such as copying campaign finance reports, typing campaign finance reports, taking campaign finance reports to the post office or faxing them, and compiling records for the campaign finance reports.

G. "computer services," to the extent that the services are rendered for the purpose of ensuring compliance with City, County or State elections or public disclosure laws in SMC 2.04.370(4) means activity such as developing or modifying a database program to report contributions and expenditures to the regulatory agencies, providing troubleshooting advice to the computer user when attempting to input data for or run reports of campaign finance data for the required reports. If a computer program includes multiple functions, the person providing the service shall estimate the percentage of use of the program for complying with elections and public disclosure laws and shall value the development, modification or use of the remaining portion of the program at its fair market value. If the remaining portion of the computer program is contributed to the campaign at no charge the campaign must report it as an in-kind contribution, which shall be subject to the contribution limits, or the provider must charge the campaign for those services.

H. "debt" means a personal obligation or liability to pay or return something of value.

I. the "election cycle" for ballot issue committees begins whenever the committee expects to receive contributions or to make expenditures.

J. "fair market value" means the amount in cash a well-informed buyer or lessee, willing but not obligated to buy or lease property or services, would pay, and a well-informed seller, or lessor, willing but not obligated to sell or lease property or services, would accept, taking into consideration all uses to which the property or services might in reason be applied.

K. "legal or accounting services" on behalf of a candidate or an authorized political committee, to the extent that the services are for the purpose of ensuring compliance with City, County or State election or public disclosure laws, means legal review of the elections laws to assist the campaign in completing disclosure reports or determining if a contribution may be accepted or an expenditure may be made. "Legal services" includes assisting a committee in responding to a complaint being investigated by the Commission or the PDC or an audit by one of those agencies. "Accounting services" includes maintaining the campaign's financial records, completing required campaign finance reports, and reviewing the reports during or after an audit by the Commission or the PDC.

L. "normal and regular conduct" means conduct that is: (1) lawful, i.e., specifically authorized, either expressly or by necessary implication, in an appropriate enactment (rule or law); and (2) usual, i.e., not effected or authorized in or by some extraordinary means or manner. No local office or agency may authorize a use of public facilities for the purpose of assisting a candidate's campaign or promoting or opposing a ballot proposition, in the absence of a constitutional, charter, or statutory provision separately authorizing such use.

M. "ordinary home hospitality" means the provision of beverages and food items, such as coffee, tea, soft drinks, cookies, pie, cakes, chips at gatherings where the purpose is to meet the candidate or organize a campaign and where no admission fee is charged or contributions suggested to, or expected from, those attending. Events where the value of the consumables exceeds half the campaign contribution limit do not qualify as ordinary home hospitality.

N. "personal services of the sort commonly performed by volunteer campaign workers" as used in SMC 2.04.010(13) means stuffing envelopes, doorbelling, putting up yard signs, answering telephones, making telephone calls, word processing, data entry, waving signs, accompanying the candidate to events, carrying petitions, and running errands. If the volunteer uses skills for which that volunteer ordinarily charges a fee, the campaign must report the fair market value of the volunteer's services as an in-kind contribution. The following are examples of activity that must be reported as an in-kind campaign contribution: a public relations or political consultant providing campaign strategy advice, press event coordination, composition of or production of campaign advertising or fundraising materials; or a graphic artist designing art for campaign advertising or designing the campaign advertising.

O. "political advertising" does not include letters to the editor, news or feature articles, editorial comment or replies thereto in a regularly published newspaper, periodical, or on a radio or television broadcast where payment for the printed space or broadcast time is not normally required.

P. "sworn statement" means a statement prepared by the party making the statement and written and sworn to as to truth and accuracy to the best and actual knowledge or belief of the party making the statement.

Rule 2 Establishing Political Committees

A. Using One's Own Resources. Persons who contribute only their own resources to candidates, ballot issue committees, or political committees, are not political committees. "Own resources" as used in this rule means the resources that the person has earned or received as earnings on investments, as opposed to resources that the person has solicited from or been given by others. "Own resources" includes labor union general funds that are constituted solely of mandatory union dues or mandatory representative fees.

B. Electoral Expenditures. Making an electoral expenditure includes making in-kind or monetary contributions to candidates, ballot issues or political committees. Making an electoral expenditure also includes making an independent expenditure promoting or opposing a candidate or ballot issue.

C. Identifying Features of a Political Committee.

1. An individual, corporation, union, association or other organization or entity ("Organization") that solicits or receives any amount of money for the express purpose of

contributing or expending it to support or oppose a candidate or ballot issue is a political committee.

2. An Organization that segregates any amount of contributions and uses those segregated funds to make electoral expenditures is a political committee. Organizations that segregate contributions for the purpose of making electoral expenditures must report only the contributions placed in the segregated funds and the electoral expenditures made from the segregated funds. Such an Organization may not, however, make electoral expenditures from other funds, without reporting all contributions received and all expenditures made to the Organization.

3. An Organization is a political committee when one of the major purposes of the Organization is to receive contributions or to make expenditures to support or oppose a candidate(s) or to support or oppose a ballot issue(s). In deciding whether an Organization meets the "major purpose" test, the Commission will examine the totality of the circumstances, including whether the Organization:

a. has, during any twelve month period made electoral expenditures of $5,000 or more, in the aggregate, in support of or in opposition to one or more City candidates or in support of or in opposition to one or more City ballot issues. The aggregate shall be determined pursuant to the Elections Code, SMC 2.04 and Elections Code Rule 6;

b. represents that it has, or its materials state, a purpose of electing or defeating a candidate or ballot issue, or achieving a particular electoral outcome;

c. communicates that contributions to the Organization may be used to elect or defeat a candidate or ballot issue, or to achieve a particular electoral outcome;

d. shares officers with a political party or candidate or ballot issue committee;

e. seeks to establish a party or to set up a candidate for office;

f. receives funds from a political party or political caucus or political committee;

g. facilitates fund raising for a candidate or ballot issue, including but not limited to providing volunteers to work for the campaign, providing a room or telephones for fund-raising.

h. endorses candidates to the general public, not merely to its own members;

i. conducts surveys of voters, other than its own members, to determine how they will vote on a candidate or a ballot issue;

j. provides to campaigns lists of targeted voters.

D. New Political Committees. Regardless of whether a political committee has filed a statement of organization, a political committee organized within 35 days of an election shall report all contributions received and all expenditures made on the same schedule as registered political committees.

E. Existing Political Committees. Each political committee described in 1, 2, or 3 below shall: (1) calculate the entity's cash on hand at the time the expectation of receiving

contributions or making expenditures in support of or in opposition to a City office candidate or a City ballot measure arose; (2) list the deposits it has made of that cash on hand in reverse chronological order starting with the last deposit previous to the expectation, until the aggregate of the listed deposit(s) equals or exceeds the total of that cash on hand; (3) file with the City Clerk a C-4 listing those deposits and that goes back far enough in time to show total contributions exceeding the amount of cash on hand at the time the expectation arose and a file C-3 for each such deposit listing the contributors who were the source of the funds for that cash on hand amount.

1. A political committee that was previously established for another purpose and expects to solicit contributions for or to make electoral expenditures involving City office candidates or City ballot issues shall, within 14 days of the expectation, file with the City Clerk a copy of its C-1 report filed with the PDC.

2. An existing political committee that during the final 21 days before the election develops an expectation of receiving contributions or making expenditures in support of or in opposition to a City office candidate or a City ballot measure, shall file a C-1 within three days of first having the expectation.

3. An existing political committee that between the 35th day and the 21st day before the election develops an expectation of receiving contributions or making expenditures in support of or in opposition to a City office candidate or a City ballot measure and which has not filed a C-1 before the 21st day, shall file a C-1 within three days of first having the expectation, or on the 21st day before the election, whichever is later.

F. Committees Organized Before the Election Cycle. A candidate may organize a candidate committee before the beginning of the election cycle for the office he or she seeks, but may not accept contributions before the beginning of the election cycle. A candidate committee may, however, accept the transfer of surplus funds from a previous campaign by the same candidate for the same office prior to the beginning of the election cycle for the office sought.

G. One Candidate, Multiple Election Committees.

1. Same Election Cycle. If a candidate has two or more committees open simultaneously for campaigns for different offices that will likely be on the ballot in the same election year, each expenditure shall be divided equally among all committees until the candidate determines which office to run for. At that time, the advancing committee shall reimburse the disbanding committee(s) for the prorated cost of each expenditure.

2. Different Election Cycles. If a candidate has multiple election committees open simultaneously for offices that are on the ballot in different election cycles then all expenditures that benefit more than one candidacy shall be paid by the committee for the office that will appear on the ballot first.

Rule 3 Establishing a campaign depository and mailing address.

A. Opening a Bank Account. A candidate must designate a unique bank account for a political committee. The Executive Director may waive this requirement if the candidate will not accept campaign contributions from others.

B. Using an Exclusive Mailing Address. A candidate must designate an exclusive mailing address for a political committee. Non-candidate committees must designate an exclusive mailing address unless the names of the entities are sufficiently distinct to avoid confusion.

Example: The XYZ Association and the XYZ PAC cannot share a mailing address because the names of the entities are similar.

Rule 4 Filing Reports

A. Forms. Committees must use the following PDC-prepared forms to file reports with the Commission: C-1, Statement of Organization; C-3, Report of Bank Deposit; C-4, Receipts and Expenditure Summary; C-5, Out-of-state PAC Contributions; C-6, Independent Expenditures.

B. Reports not Considered Filed. Reports that (i) do not contain substantially all required information, (ii) are not submitted in a Commission-approved format, or (iii) contain knowing errors or substantial omissions of fact, are not considered filed, and subject the committee to late filing penalties.

C. Electronic Filing.

1. Uploading

a. Orca Method. Filers will upload reports to the Commission using the interface provided for this purpose in the PDC's Orca client software, or using privately published client software that uses the same standards and processes as the Orca client.

b. Web Method. Filers, using web-browsing software, will enter the upload application by opening the following web page: www2.ci.seattle.wa.us/ethics/filers/login.asp. Users will then log in to the application using the user name and password provided to them by Commission staff. The filer will then follow the instructions in the application to upload properly formatted electronic files.

c. The Executive Director may authorize additional methods of electronic filing.

2. Review and Certification

a. The filer will log into the Commission's web application described above under "web method." "Orca method" filers will review the contents of each report they have previously uploaded by Orca. "Web method" filers will see each report in its entirety immediately after uploading it.

b. If the contents, as displayed, are true and correct the filer will certify the report, and also indicate whether the report is new, or an amended version of a previously filed report. A report certified in this manner shall be considered certified pursuant to Chapter 2.04 of the Seattle Municipal Code by the person whose user name and password were utilized to enter the application.

c. Filers may also certify the reports by filing a paper "Certification Form" with the Seattle City Clerk in the form provided by the Executive Director on the web application.

3. Passwords. The Commission will assign each individual filer a password which may be used only by the filer to gain access to the application. The application provides filers with the ability to change the password at any time. A person to whom the Commission assigns a password is personally responsible for all filings made using that password or any succeeding password established using the initially assigned password.

4. Error Messages. When the upload application has repeatedly displayed error messages after at least two separate attempts to use it while connected to the Internet, the user should either (i) promptly notify Commission staff and await further instructions or (ii) file the reports using a method previously authorized by the Executive Director.

D. C-3 Reports. A separate C-3 must be filed for each deposit. Funds transferred from a previous campaign or from a surplus funds account, pursuant to Rule 11 B., must be reported on a separate C-3 with a notation that the funds have been transferred. The report must include the names and addresses of all contributors. The names of two contributors at the same address contributing from a joint account may be reported on the same line. Organization names shall be listed without using acronyms. If the contributor is self-employed, list the occupation and the DBA, and its city and state, or the name, city and state of the contributor's business. If the contributor owns more than one company, report the name, city and state of the parent company or the company with the highest revenues.

E. Special Reports of Late Contributions. Each Special Report of Late Contributions must contain an itemized list of reportable contributions and for each contribution shall include: (i) the date of receipt; (ii) the name and address of each contributor; (iii) the amount of the contribution; and (iv) the aggregate amount of each contributor's contributions to the campaign to date.

F. Weekends and Holidays. Except for Special Reports of Late Contributions, reports due on Saturday, Sunday or a postal holiday must be filed by midnight the following business day. Special Reports of Late Contributions due on Saturday, Sunday or a postal holiday must be filed by 4:30 p.m. the following business day. For reports mailed first class with adequate postage, the post office cancellation stamp date constitutes the filing date. An electronic file will be considered filed on the date the Commission's server software records receipt of such a file.

G. Amendments. All C-3 amendments shall be certified by the treasurer or deputy treasurer who made the deposit. All other amendments shall be signed by the treasurer and the candidate.

Rule 5 Modification of Disclosure Requirements

A. Modification Requests. Any person required to file reports under the Elections Code who seeks modification of the reporting requirements shall submit to the Executive Director an application identifying the modification requested and the reasons for the requested modification no later than five business days after the date that the statement of organization is due to be filed under the Elections Code.

B. Changed Circumstances. The only exception to subsection A of this rule is that a person who has substantially complied with the Elections Code and these rules may make a request for modification based on changed circumstances after the C-1 was filed. That application must be made as soon as the changed circumstances are known or should reasonably have been known by the person seeking modification. In determining whether to grant a modification requested more

than five business days after the C-1 was due, the Commission will consider only evidence of events that occurred after the C-1 was filed and that could not with reasonable diligence have been obtained by the person making the request until more than five business days after the C-1 was due.

C. Criteria for Exempting Disclosure. The Commission shall grant a disclosure exemption where the requesting party has made a showing that there is a reasonable probability that the compelled disclosure of a candidate's contributors' or vendors' names, addresses and/or employers will subject them to threats, harassment, or reprisals from either Government officials or private parties.

D. Limited Suspensions of Reporting Requirements. Unless and until a request for modification is granted, all filings shall be in full compliance with the Elections Code and these rules, except that the Commission, upon written request by the applicant, for good cause, may without a hearing and on an expedited basis grant a limited suspension of the reporting requirements for a period to last not longer than the date of granting or denial of the request for modification. If, and to the extent the requested modification is denied, the suspended reports without modification shall be due and filed when specified in the Commission determination.

E. Public Hearing for Modification Request. Except as provided in subsection F below, the Executive Director shall schedule a public hearing on the request for modification for as soon as practical before the Commission. At the hearing, the person seeking modification shall have an opportunity to present evidence and argument in support of the request. The Commission may permit others to provide testimony pertinent to the request. After holding such hearing, the Commission will issue a written determination.

F. Requesting Modification on F-1 from PDC and SEEC. The Commission may, without a hearing, grant a candidate's request to file a modified statement of financial affairs on the same terms as ordered by the PDC. In the alternative, the Commission may demand a hearing on the request, and issue a written determination granting or denying the request in whole or in part.

Rule 6 Receipts

A. Aggregation. For the purposes of the contribution limitations contained in SMC 2.04.370, and for reporting purposes, contributions from two or more persons will be aggregated and considered to be made by a single person if any of the circumstances listed below is applicable:

1. Contributions from a national or international labor union, or state body of such national or international labor union, shall be aggregated with contributions from local unions or other subordinate organization of such national or international labor union or state body.

2. Contributions from a trade association or state body of such trade association shall be aggregated with contributions from branches or local units of such trade association.

3. Contributions from a national or state collective bargaining organization shall be aggregated with contributions from branches or local units of such national or state collective bargaining organization.

4. Contributions from a national or international federation of labor unions, or a state federation of labor unions, shall be aggregated with contributions from local bodies of such federation.

5. Contributions from a membership organization shall be aggregated with contributions from local units or branches of such membership organization.

6. Contributions from a political committee established, financed, maintained, or controlled by another entity shall be aggregated with contributions from such other entity.

7. Contributions from an entity shall be aggregated with contributions from any other entity that has the same individuals constituting a majority of the members of each entity's board of directors.

8. Contributions from an entity shall be aggregated with contributions from any other entity that has the same officers or with whom it shares a majority of officers. For the purposes of this subdivision an officer does not include an individual who serves only as a member of the entity's board of directors.

9. Contributions from a corporation or limited liability company shall be aggregated with contributions from any other corporation or limited liability company that (a) has the same majority shareholder and/or member or (b) holds a majority of voting rights in such corporation or limited liability company.

10. Contributions from a corporation shall be aggregated with contributions from any parent or subsidiary corporation, unless each of the contributing corporations is publicly traded.

11. Contributions from an individual shall be aggregated with contributions from any corporation, limited liability company, firm, joint venture, syndicate, business trust, company or other business entity in which the individual owns an investment of 50% or more, or holds a majority of voting rights.

12. Contributions from a general partner shall be aggregated with contributions from any general or limited partnership in which the general partner owns an investment of 50% or more, or holds a majority of voting rights.

13. Contributions from unemanicipated children under 18 years of age shall be aggregated with contributions from their parent(s) and attributed proportionately to each parent, one-half to each parent or the total amount to a single custodial parent, unless the committee receives instructions to attribute the contribution in different proportions.

14. Contributions from emancipated children under 18 years of age shall be aggregated with contributions from their parents and attributed in the same manner as contributions from unemancipated children under 18 unless: (a) the decision to contribute is made knowingly and voluntarily by the child; (b) the funds, goods, or services contributed are owned or controlled exclusively by the child, such as income earned by the child, the proceeds of a trust of which the child is the beneficiary, or a savings account opened and maintained exclusively in the child's name; and (c) the contribution is not made from the proceeds of a gift, the purpose of which was to provide funds for the child to contribute, or is not in any other way controlled by another person.

B. Reporting Aggregated Contributions. If contributions are to be aggregated under A, then contributions from such entities must be reported as contributions from the individual, or from whichever entity first contributed to the campaign in that election cycle, as appropriate

C. Attribution. To identify the source of a contribution received by check or other written instrument, a candidate or treasurer shall:

1. Attribute a contribution drawn upon a personal account to the person whose name is printed on the face of the check or negotiable instrument.

2. Attribute a contribution drawn upon a joint account in equal proportion to each of the account holders as identified by the names printed on the face of the check or negotiable instrument unless the candidate or treasurer has reason to believe that the contributions should be allocated in different proportions.

3. Attribute a contribution drawn upon the account of a sole proprietorship to the proprietor.

4. Attribute a contribution drawn upon a partnership account but which is to be paid from the capital account of one or more individual partners to the contributing partner(s).

D. Identification of Entity Type. Any contribution that is reported from any entity must identify the entity as a Corporation, Partnership, Union, Association, Political Committee or, if some other type, a description of the type. Such information must be provided on the C-3 report along with the name and address of the entity, the amount of the contribution and the aggregate of contributions made by that entity in the relevant election cycle. An entity's name that includes the words "Inc.", "Corp.", "Local" or "PAC" will satisfy this requirement in most cases.

E. Identification of Source. When the source of funds for a monetary or in-kind contribution is not the person who gives the monetary or in-kind contribution to a campaign, the person giving the contribution shall be presumed to have concealed the source of the contribution if, at the time the contribution is made, the person does not inform the candidate or treasurer of the true and actual source of funds from which the contribution is made. In cases where the source of the contribution is known, the campaign treasurer shall report the known source of the contribution. Contributors of contributions made through an intermediary or conduit or transmitted by an intermediary shall identify the true and actual source of the funds.

F. Attribution of Earmarked Contributions. An earmarked contribution shall be attributed to both the actual contributor and the conduit. All contributions made by a person or entity, either directly or indirectly, to a candidate or to a political committee, are considered to be contributions from that person or entity to the candidate or political committee, as are contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate or political committee. For the purposes of this section, "earmarked" means a designation, instruction, or encumbrance, whether direct or indirect, expressed or implied, or oral or written, that is intended to result in or does result in all or any part of a contribution being made to a certain candidate. If a conduit or intermediary exercises any direction or control over the choice of the recipient candidate, the contribution is considered to be by both the original contributor and the conduit or intermediary.

G. Accepting and reporting contributions made by credit/debit card.

1. Contributors may not use corporate credit/debit cards to make campaign contributions. The campaign shall verify that the credit/debit card funds being contributed are the personal funds of the contributor and are not those of another by:

   a. requiring the contributor to:

1. check a box on a website affirming that the contributor is using his or her own personal funds, or

2. sign a remittance envelope or a credit card slip authorizing the use of the contributor's credit/debit card for the contribution, and,

b. obtaining the bank's approval of the transaction based upon, at a minimum, characters from the credit/debit card number and expiration date.

If such verification cannot be obtained, the campaign shall not process the contribution.

2. A credit/debit card contribution obtained by telephone or in person is received when the credit/debit card information is given to the campaign official or the campaign's agent. Such credit/debit card information shall be submitted to the credit/debit card company within five business days of receipt by the campaign or the campaign's agent. A credit/debit card contribution made on the Internet is received on the date when a campaign official or the campaign's agent receives notice of the contribution. If the credit/debit card information is transmitted directly to the credit/debit card company when the cardholder posts the card number on the campaign web site, the campaign receives notice of the contribution when the campaign official or the campaign's agent receives the credit/debit card company's statement of the deposit of those funds. If the credit/debit card information is stored until the campaign retrieves it and submits it to the credit/debit card company, the campaign receives notice of the contribution when the campaign official or the campaign's agent retrieves the information. A campaign official or a campaign agent shall check the storage site at least once a week to retrieve such information and shall submit the information to the credit/debit card company no later than five business days from the date the cardholder posted the card number on the campaign web site.

3. A candidate or political committee must treat the full amount of a contribution as the contributed amount, even though the candidate or political committee may receive a lesser amount because of transaction fees. If the bank deposit by the credit/debit card company is for the contribution amount less the transaction fee, the campaign shall report on the C-3 for that deposit, the total contribution for each contributor. The transaction fee shall be reported on the Schedule A of the appropriate C-4.

4. When a contribution is made by credit/debit card over the Internet, the electronic record of the transaction created and transmitted by the accountholder shall constitute a "written instrument." This record must be printed in hardcopy and preserved by the recipient candidate or political committee for five calendar years.

5. A committee must collect the following information regarding credit card contributions, in addition to the information that otherwise must be reported under the Elections Code:

a. Name on Card
b. Date Contribution Processed (submitted to the bank)
c. Authorization Code provided by the bank
d. Expiration Date of Credit/Debit Card
e. Credit/Debit Card Type (Visa, MasterCard, American Express, etc.)
f. Last Four Numbers of Credit/Debit Card

6. A web page on which credit/debit card contributions are solicited shall provide the following boxes for the contributor to check for self-screening and affirmation that: (a) the funds being contributed are the personal funds of the contributor and are not those of another, (b) the contributor is not a foreign national who lacks permanent resident status in the United States, (c) the contributor is making the contribution via the contributor's personal credit or debit card for which the contributor has a legal obligation to pay, and not through a corporate or business entity card or the card of another, and (d) the contributor is at least 18 years old. If the contribution exceeds $100, the web site must also require the contributor to list his or her occupation and the name, city and state of his or her employer.

H. Other

1. Vendors to Bill for Services. Any vendor who fails to disclose, within 60 days after delivering goods or services to a campaign, the value of the goods or services that cannot be valued other than by giving a bill of accounting shall be deemed to have contributed the goods or services to the campaign.

2. Vendors May Extend Credit. A vendor who extends credit other than in the ordinary course of business, or a vendor who extends credit to a candidate or committee for a period exceeding the lesser of the normal business or trade practice in the industry or 90 days, has made a contribution equal in value to the credit extended, unless the vendor has made a commercially reasonable attempt to collect the debt or obligation. In determining whether a vendor has made a commercially reasonable attempt to collect the debt, the Commission shall consider: (1) whether the vendor followed its established procedures and its past practice in approving the extension of credit; (2) whether the vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; or (3) whether the extension of credit conformed to the usual and normal practice in the vendor's trade or industry.

3. Pay Bills in 90 Days or Less. A candidate or committee that accepts goods or services for campaign purposes on credit shall pay for those goods or services in full no later than 90 days after receipt of a bill or invoice and in no event later than 90 days after the last day of the month in which the goods were delivered or the services were rendered. Failure to make such payment shall be deemed the solicitation or receipt of a campaign contribution equal in value to the outstanding obligation, irrespective of the commercial reasonableness of any efforts by the vendor to collect.

4. Unidentified Contributors. A contribution of more than $25 from a contributor who provides his or her name, and who provides no mailing address shall be reported in Line 2 of the C-3 with the notation that the contributor failed to provide the required information. The amount of the contribution shall be included in the committee's aggregate of unidentified contributions and shall be subject to SMC 2.04.210.

5. Estimates. When the candidate or campaign receives an in-kind contribution, but does not yet know the value of the contribution (e.g., use of telephone or free rent) the treasurer shall report a reasonable estimate of the value with a notation that the value is estimated. Once the actual value is known, the committee must report the difference between the estimated and actual values of the in-kind contribution.

6. Contributions Received During Election Cycle. Contributions may be received only during the election cycle. Any contributions received by the campaign before the beginning of the relevant election cycle, or after the end of the relevant election cycle, shall not be deposited

and shall be returned to the contributor. The campaign shall keep a record of the receipt and return of such contributions, but is not required to report them, since the funds shall not be deposited.

7. Bank Interest. If the amount of bank interest credited to the committee's accounts from a single bank by the committee during the reporting period totals more than $200, then the filer must report the bank interest on the C-3 covering the reporting period during which interest was credited. If the amount of bank interest credited during the reporting period is $200 or less, the filer may report that bank interest during the reporting period in which the filer receives the bank statement that reports that interest. On the C-3, the filer will report the date the statement reporting the interest was received as the deposit date, with a note in the memo field stating the date the bank credited the account. For purposes of this rule, interest is "credited" on the date shown on the statement for the deposit of interest into the account.

Example: A campaign that files its July C-3s with its monthly C-4 on August 10 might not receive the bank statement reporting July's bank interest of $17.02 until August 11 or later. Instead of requiring the committee to amend the July C-3 and C-4 reports, the treasurer may report the bank interest on the date the statement was received (August 11) with a memo showing that the interest was credited to the account on July 31.

8. Low-cost Fundraisers

a. Any funds in the possession of a campaign that were not given to a campaign agent, e.g., cash placed in an unattended container, shall be treated as anonymous contributions subject to the anonymous contribution limit of SMC 2.04.210.

b. Only the following fund-raising activities may qualify as "low-cost fund-raisers" for the special low-cost fund-raiser reporting pursuant to SMC 2.04.220(A)(1): (a) the sale of low-cost items such as pencils, t-shirts, and other small items, or minor services, such as car washes, at prices that do not exceed a reasonable approximation of the fair market value of each item or service sold at the fund-raiser, or (b) a gambling operation licensed, conducted, or operated in accordance with the provisions of RCW Chapter 9.46, or (c) events at which an entry fee is charged, so long as the total of all the per person entry fees for the campaign's low-cost fundraiser events held in a single election cycle does not exceed $25.

c. Payment of more than $25 for goods or services or for participation in a gambling game licensed, conducted, or operated in accordance with the provisions of RCW Chapter 9.46, may be accepted at low-cost fund-raisers, but the name, address and, where payments aggregate to more than $100, the payer's occupation and employer name, city and state must be recorded and reported pursuant to SMC 2.04.220(C)(6).

d. Reporting contributions to low-cost fund-raisers as a lump sum without contributor name and address is in lieu of reporting them as anonymous contributions. Therefore, only sales and low-cost or gambling events at which it is not practical to obtain the names and addresses of the contributors may be reported pursuant to SMC 2.04.220(C)(6).

e. The low-cost fundraiser report for a sales event shall include a description of, the number of and the individual price for the items or services that were sold and the number of sales made.

9. Cost of Consumables

a. In certain cases, such as fund-raisers where the campaign provides food or drinks, campaigns may deduct the cost of consumables from a contribution and report the remainder of the contribution.

b. If the committee charges more for admission to an event than the contribution limit allows with the intent that the cost of consumables will be deducted from the admission price, the committee must include a written notice with the invitation and with any subsequent confirmation device (e.g. admission ticket, confirmation postcard, e-mail) that clearly states: 1) the portion of fully-paid admission that will be treated as a contribution, and 2) the per person cost of consumables.

c. If a single person purchases more than one ticket to a single fundraising event, the cost of consumables can be deducted only from the price of one ticket; the full price of all the other tickets that same person purchased must be reported as a contribution and is subject to all contribution limits.

Rule 7 Payments

A. Refunding Contributions That Exceed the Contribution Limit. If a committee receives a contribution exceeding the contribution limit, the treasurer or deputy treasurer may return the contribution, or deposit the contribution and immediately refund the excess contribution amount. If the committee elects to refund the amount of the contribution over the limit, the committee must maintain a sufficient bank balance until the refund check is cashed to cover the cost of the committee's expenditures in addition to the refunded amount. If the refund does not clear the committee's bank account within 60 days of the campaign's receipt of the illegal contribution, the treasurer must void or stop payment on the refund check, and issue the contributor a cashier's check for the excess contribution amount. The treasurer may deduct the cost of the cashier's check from the contributor's refund.

B. Reimbursements to be Paid Within 21 Days. Any person who, with the expectation of repayment, makes documented out-of-pocket campaign expenditures on behalf of a campaign has made a loan to the committee, which shall be subject to the Election Code's contribution limits, unless that person is reimbursed within 21 days of the expenditure. Out-of-pocket campaign expenditures are in-kind contributions subject to the Elections Code's contribution limits.

C. Payments to Subvendors and Subcontractors. Expenditures made on behalf of a candidate or political committee by any person, agency, firm, organization, etc. employed or retained for the purpose of organizing, directing, managing or assisting the candidate's or the committee's efforts shall be deemed expenditures by the candidate or committee. Such expenditures shall be reported by the candidate or committee as if made or incurred by the candidate or committee directly. For example, when payments to a consultant, in the aggregate, exceed $50, the following shall be reported: (1) the purpose of the consultant's work; (2) the consultant's name and address; (3) the amount paid to the consultant; and (4) the names and addresses of the entities to whom the consultant made payments in excess of $50, the purpose of the payments and the amounts of the payments.

D. Outstanding Obligations. When an obligation of $50 or more has been outstanding for 30 days or more, or when the estimated value of an obligation at the time it is incurred is $250 or

more, the treasurer shall report the actual value, if known, or a reasonable estimate of the value of the obligation.

E. Descriptions of Expenditures. Treasurers shall provide a description of each expenditure, with a narrative description of each expenditure in excess of $5,000. Expenditures by credit or debit card shall be reported as if the campaign paid the vendor directly, i.e. the name and address of the vendor that accepted the credit/debit card payment, and the purpose of the expenditure to that vendor shall be reported.

F. Use of Campaign Funds

1. No Personal Use. Campaign funds may not be used for the material personal benefit of the candidate, campaign staff or campaign volunteers. This prohibition includes, but is not limited to: household food items or supplies; clothing (other than special attire such as tuxedos or formal gowns for special campaign events and items of clothing that are directly related to the campaign, e.g., T-shirts or caps with campaign insignia); hygiene and grooming; travel other than for campaign purposes; payment of personal debt; membership in organizations that provide members with material benefits (such as health clubs and country clubs) or memberships in other organizations unless such memberships are directly related to the candidate's campaign and would not be sought except for campaign purposes; tuition payments, other than those associated with training campaign staff; funeral, cremation or burial expenses; mortgage, rent or utility payments for candidate or candidate family residence or for personal property owned by the candidate or candidate family member and not used for campaign purposes; admission to sporting event, concert, theater or other form of entertainment, unless admission is directly related to a specific campaign activity and not merely incidental to that activity; or salary payments to a candidate family member or other person, unless the family member or other person is providing bona fide services to the campaign and the payments are not in excess of the fair market value of the services provided.

2. Campaign Expenditures that Benefit Candidate, Committee Staff or Volunteers. Campaign expenditures that benefit the candidate, committee staff or volunteers are permissible when directly related to the campaign.

EXAMPLE: A campaign may throw a pizza party or other team building event that occurs during the course of the campaign.

3. No Public Office Expenditures. Campaign funds may not be used for public office expenses, including, but not limited to, general operation and overhead of public office, gifts, or parties for public office employees or their relatives.

4. Candidate Committees Cannot Contribute to Other Candidates. Candidates and candidate political committees may not use campaign funds to contribute to another candidate, a candidate committee, or a political action committee, except that surplus funds may be contributed to a bona fide political party or political party caucus.

G. INTERNET USE

1. Web Sites

a. A committee's expenditures to design, develop, maintain, and/or advertise candidate or ballot issue committee web sites are reportable. If the web site design, development and maintenance are done by a volunteer who (i) does not ordinarily charge a fee for that work and/or (ii) is not paid by someone to do the work, the value of that work is not a contribution.

b. When someone other than the committee expends money, in concert, collaboration, coordination, consultation or cooperation with the campaign, to design, develop, maintain, and/or advertise a web site that promotes or opposes the candidate or ballot issue, the expenditure is an in-kind contribution. When a person expends $100 or more, not in concert, collaboration, coordination, consultation or cooperation with the campaign, to design, develop, maintain, and/or advertise a web site that promotes or opposes the candidate or ballot issue, the expenditure is an independent expenditure that must be reported by the person making the expenditure.

c. Web sites are not reportable as contributions to the campaign when they are set up on home computers by volunteers who do not spend funds in addition to the funds usually spent on their personal Internet services. Expenditures for items such as registering a domain name or hosting the site on server space that is not part of the volunteer's usual allocated space are, however, reportable, either as expenditures by the campaign, or in-kind contributions to the campaign.

2. Links

a. Links to candidate or ballot issue committee web sites or e-mail addresses are not contributions unless:

1. the site with the link normally charges for posting a link, in which case the link is an in-kind contribution valued at the fair market value of the link; or

2. money is expended to post the link, in which case the person spending the money has made an in-kind contribution; or

3. money is expended to advertise the site on which the link is placed for the purpose of drawing users to the site, in which case the person paying for the advertising will have made an in-kind contribution to the campaign valued at the expenditure for the advertising.

b. Expenditures for posting, maintaining, or advertising a link are not contributions when the entity provides links to all candidates in the same race, without editorial comment or ranking of the candidates by order of presentation.

EXAMPLE: Links on the League of Women Voters' web site to candidate web sites do not constitute contributions to the campaigns because the League links to all campaigns that have web sites and does not rank the candidates, but presents them as they appear on the ballot or alphabetically with other candidates for the same position.

3. Electronic messages and Listservs. A committee must report the value of address lists to which it transmits electronic messages or Listserv messages. Address lists with value

include: (i) lists that have been purchased; (ii) lists that have been compiled from private sources, other than the person compiling the list; (iii) lists compiled from public records by a person paid to compile them; (iv) lists provided by one campaign to another campaign.

Rule 8 Independent Expenditures

A. Committee Cannot Encourage Others to Make Independent Expenditures. If a candidate or a political committee advises, counsels or otherwise knowingly encourages any person to make an expenditure which, if made by the candidate or committee would be regulated by SMC 2.04, for the purpose of avoiding direct contributions or for any other reason, the person making such expenditure shall be considered an agent of the candidate or political committee encouraging the expenditure and the expenditure shall be considered an expenditure of such candidate or political committee.

B. Expenditures made in concert, collaboration, coordination, consultation or cooperation. Expenditures made by any person in concert, collaboration, coordination, consultation or cooperation with, or at the request, or suggestion of a candidate, his or her political committee, or their agents shall be considered to be an in-kind contribution to, and an in-kind expenditure by, the candidate.

C. Use of Committee's Political Advertising. It is not an independent expenditure to finance or carry out the dissemination, distribution, or publication, in whole or in part, of broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or the authorized agent of a candidate or political committee. Such activity is a contribution to the candidate or political committee.

D. No Independent Acts with Inside Knowledge. No person with material inside knowledge regarding a campaign, including paid consultants and unpaid volunteers, may make independent expenditures that benefit that campaign.

Rule 9 Political Advertising

A. Sponsor ID required on Printed, Electronic and Broadcast messages.

1. Written materials. Sponsor identification shall be placed on all written materials promoting or opposing a candidate or ballot issue, including, but not limited to, brochures, newspaper and magazine advertisements, web pages, widely distributed e-mail messages, handouts, and leaflets, except as provided below. Campaign or candidate web sites and electronic communications promoting or opposing ballot issues or candidates are political advertising that require sponsor identification, except that web sites and electronic communications do not require sponsor identification if they were designed, drafted and distributed by individuals who do not ordinarily charge a fee to design, draft, or distribute web site or electronic -communications, are not paid by someone to do so, and are using their personal computers and lists of e-mail addresses that have no fair market value.

2. Broadcast Advertising. Broadcast political advertising need not include the sponsor's address, but must include the sponsor's name.

B. Exceptions to Sponsor ID Requirement. Sponsor identification is required on all forms of political advertising except the following:

leaflets containing only the expressions of the person who drafts, distributes by hand and pays for the copying of them and who functions independently of any campaign. *McIntyre v. Ohio Elections Comm'n*, 514 US 334, (1995);

ashtrays
badges & badge holders
balloons
bingo chips
brushes
bumper stickers (4" x 15" or smaller)
business cards
buttons
cigarette lighters
clothes pins
clothing
coasters
combs
cups
earrings
emery boards
envelopes
erasers
frisbees
glasses
golf balls & tees
hand-held signs
hats
horns
ice scrapers
inscriptions
key rings
knives
labels
letter openers
magnifying glasses
matchbooks
nail clippers & files
newspaper ads (one column inch or smaller)
noisemakers
official state or local voter pamphlets
paper & plastic cups
paper & plastic plates
paper weights
pencils
pendants
pennants
pens
pinwheels
plastic tableware
pocket protectors
pot holders
reader boards with moveable letters
ribbons
rulers (12" or smaller)
shoe horns
skywriting
staple removers
stickers (2-3/4" x 1" or smaller)
sun glasses
sun visors
swizzle sticks
tickets to fund raisers
water towers
whistles
yard signs
yo-yo's and all similar items

Rule 10 Prohibition Against Use of Public Office Facilities in Campaigns

A. Permissible Activities. SMC 2.04.300 does not prohibit a City officer or employee from expressing his or her own personal views, as long as such expression does not involve the use of public facilities or publicly paid time (except vacation time); nor does it prevent a public office or agency from making facilities available on a non-discriminatory basis; nor does it prevent a public office or agency from making an objective and fair presentation of facts if that is part of its normal and regular conduct.

Rule 11 Winding up a Campaign

A. Disposition of Surplus Funds and Assets. The final C-4 must show the disposition of any surplus funds, or debt, and any capital asset (excluding funds) for which the campaign paid $200 or more, or an in-kind contribution valued at $200 or more, on a Schedule A, Schedule L or C-3, as appropriate. If the campaign disposes of such capital assets, it shall attach to the C-4 for the period a note describing the capital asset, date of purchase and name and address of the person or new political committee to which the committee transfers the capital asset. The final report must show a zero balance.

B. Transferring Surplus Funds or Capital Assets.

1. The Executive Director will prepare a list of contributors whose contributions make up the surplus funds and capital assets available for transfer to another committee. The Executive Director shall begin with the most recent contributions to the candidate's committee, and work backwards chronologically until the aggregate of those contributors' contributions equals the amount of funds and capital assets on hand. Capital assets will be valued at their fair market value.

2. Before transferring funds or capital assets to a committee for a different office, a committee-must secure written permission to do so from the contributors identified in the list prepared by the Executive Director. If a contributor does not grant permission to have his or her contribution transferred, the committee may not solicit a different contributor for permission unless that contributor is already on the list provided by the Executive Director and contributed funds that remain available to be transferred. A transferred capital asset does not count against any individual contributor's contribution limit; it is attributed to the transferring committee.
3. Whether transferred to a subsequent committee for the same office or a committee for a different office, transferred funds are considered contributions by the original contributor to the committee receiving the transfer, and count against the contributor's contribution limit. Surplus funds that are first deposited in a surplus funds account, and subsequently are transferred to a political committee, also count against the original contributor's contribution limit.

C. Disposing of Campaign Debt. A candidate committee with a debt may dispose of the debt, and then file a final report, in the following ways: (a) by receiving sufficient contributions to pay the debt; (b) by transferring the debt to a new campaign for the same office; (c) by obtaining agreement from the creditors to forgive the debt (such forgiveness is considered a contribution and contribution limits apply); or (d) by the candidate personally assuming any campaign debt and reporting such assumption as a contribution to his or her campaign.

D. Transferring Debt. Candidate, ballot issue, and independent expenditure committees may transfer loans, debts and other obligations to a new campaign for the same office or the same issue and the new campaign may assume such loans, debts or obligations. The following reporting rules shall apply to such a transfer and assumption:

1. Transferring Loans. The transferring committee shall report the transfer of a loan by filing a Schedule L with its final report that reports the loan as forgiven on line 3 of Schedule L. The transferring committee shall also file an amendment to the original C-3 reporting receipt of the loan. This amendment shall change the name of the lender from the name of the original lender, to the name of the new committee to which the loan is being transferred. In addition to the name of the new committee, this report shall include the new committee's address. Where the new committee is a candidate committee, the amendment shall also include the year in which the new committee's candidate will appear on the ballot. Where the new committee is a ballot issue committee, the amendment shall also include the word "new" after the committee name. Where the new committee is a continuing political committee, the amendment shall also include the word "continuing" after the committee name. The new committee shall report assumption of the loan by including a Schedule B with its initial C-4. It shall report the loan on line 3. Under "Vendor's/Recipient's Name and Address," the new committee shall report the name of the person who originally made the loan to the transferring committee.

2. Transferring Other Debts or Obligations. The transferring committee shall include a note with its final report reporting that the debt or obligation has been transferred to the new committee, including the name and address of the new committee, the year in which the new committee's candidate or ballot issue will appear on the ballot, the name and address of the vendor, a description of the obligation, and the amount owed. The new committee shall report assumption of the debt or obligation by filing a Schedule B with its initial C-4 and reporting the debt or obligation on line 3.

Rule 12 Maintenance and Inspection of Campaign Records

A. Records to be Maintained. The following records must be maintained in the campaign files: copies of checks deposited into the campaign account; photocopies, or the hard copy equivalent, of checks withdrawing funds from the campaign account; paper copies of credit/debit card contribution receipts, attached to paper copies of the deposits of the credit/debit card contributions; invoices, receipts and other records of expenditures; records of reimbursements; contracts; bank records; communications with vendors and potential vendors; names and addresses of contributors; copies of disclosure reports; regulatory and licensing filings; accounting records; proof of compliance with Rule 6.A through 6.C; and any other written or electronic records of campaign activity.

B. Availability of Records

1. The following campaign records shall be available for public inspection during the eight days before the election: bank account statements, check registers, copies of or the hard copy equivalent of checks deposited into the account and copies of checks withdrawing funds from the account, copies of all deposit slips and invoices, paper copies of a spreadsheet or a ledger, or a method of viewing the copies if stored electronically. Committees must also provide one of the following, at the committee's discretion: (1) paper copies of electronic reports; (2) appropriate electronic viewing access to the reports; or (3) if the requestor provides a disk that is appropriately formatted to the committee's computer, a copy of the reports on the disk. To protect the confidentiality of contributors' financial information, the treasurer or deputy treasurer may remove checking account numbers and credit/debit card numbers from copies of documents placed on public display, so long as copies containing checking account numbers and credit/debit card numbers are retained.

2. On every day from the seventh day before an election through the day immediately before an election, other than Saturday, Sunday, or a legal holiday, campaign records must be available at the designated place for inspections (1) by appointment, and (2) for two hours, between 8:00 a.m. and 8:00 p.m. The appointment must be allowed at an authorized time and day for such inspections that is within 24 hours of the time and day that is requested for the inspection.

C. Location of Records. The location designated on the C-1 where the campaign records shall be open for public inspection shall not be changed within four weeks of the date of the election in which the candidate or issue shall appear on the ballot, except with written approval of the Executive Director. Every odd-numbered year, the Executive Director shall identify public facilities and their available hours in which the campaigns may display the campaign records during the eight days before the election.

Rule 13 Miscellaneous

A. Designate Office and Date of Election. All candidates shall designate a specific office and date of election on their C-1. Once designated the office and date of election may not be amended. If the designation changes, the campaign account must be closed, any funds must be disposed of in accordance with the Code provisions addressing disposition of surplus funds, a final report must be filed and a new account established with a new C-1 report filed bearing the new designation.

B. Primary Election Results Uncertain. Candidates whose results in the primary election are uncertain must continue filing all reports as though their names will appear on the General Election ballot, until the Primary Election results have been certified. Ballot issue committees with a chance of having the ballot issue appear on a special election, primary, or general election ballot must file all reports as though the ballot issue will appear on the next legally possible election ballot, until either:

1. the time for filing voter signatures to qualify the ballot issue for that ballot has passed and either (i) the number of signatures submitted cannot mathematically qualify the ballot issue for that ballot, or (ii) the City Clerk reports that there are not a sufficient number of valid signatures to place the ballot issue on that ballot; or

2. the deadline for the City Council to place the ballot issue on that ballot has passed without the Council acting to place the ballot issue on that ballot.

When either (1) or (2) has occurred, the ballot issue committee shall file all reports as though the ballot issue will appear on the next legally possible election ballot, and so forth, until there are no legally possible elections for that ballot issue.

Example 1: A candidate appeared on the primary election ballot, but the vote was close and a recount has been ordered. The candidate must continue to file reports of all deposits on Mondays for the previous seven days, per SMC 2.04.250(C), until the results are certified and indicate that the candidate did not receive a sufficient number of votes to be placed on the general election ballot.

Example 2: A ballot issue committee submitted a facially sufficient number of signatures to the City. The signatures have not been certified, but could be certified in time for the ballot issue to be placed on the general election ballot. The ballot issue committee must file all reports of deposits on Mondays for the previous seven days, per SMC 2.04.250(C), from the time that there is a chance that the ballot issue could go on the general election ballot until either:

(a) the time for filing voter signatures to qualify the ballot issue for that ballot has passed and either (i) the number of signatures submitted cannot mathematically qualify the ballot issue for that ballot, or (ii) the City Clerk reports that there are not a sufficient number of valid signatures to place the ballot issue on that ballot; or

(b) the deadline for the City Council to place the ballot issue on that ballot has passed without the Council acting to place the ballot issue on that ballot.

Rule 14 Public Office Funds

A. Prohibited Contributions. The following persons shall not contribute to, and no elected official shall accept contributions for a Public Office Fund from, the following:

1. Persons who are parties to a current contract or other transaction with the City of Seattle, or who have taken affirmative action to be considered for a contract or transaction with the City.

a. A person who is paid by a client to represent the client to the City, such as an attorney or an accountant representing a City vendor, does not thereby become a "party" to a transaction with the City.

b. Transaction, as used in this section, does not include those transactions that do not involve the exercise of discretion by any elected official, such as application for a business license, and does not include the City's provision of water, electricity, waste disposal or other utility services.

c. Affirmative action, as used in this section, includes, but is not limited to, making application, quoting a price, submitting a proposal and responding to a bid request.

2. Political Committees organized in support of any candidate.

B. No Contributions from Current or Pending City Contractors. Contributors to Public Office Funds shall disclose whether they have current or pending transactions with the City, as prohibited by this rule. When soliciting contributions to Public Office Funds, or accepting non-solicited contributions to Public Office Funds, elected officials shall inform the potential or actual contributors of the provisions of this rule and obtain from the potential or actual contributor a signed confirmation that such contributor is not a current or pending contractor as described in this rule. The elected official shall maintain signed copies of the confirmations with the Public Office Fund account records.

C. Permissible Office Fund Expenditures. Public Office Funds may be used by the elected official only for non-reimbursed public office expenditures. Such expenses include, but are not limited to, the following categories:

1. Purchase, lease or rental for office equipment, office furnishings and office supplies;

2. Conferences, meetings, receptions, and events attended in the performance of official duties by the official, or a member of the official's staff;

3. Travel, including lodging, meals, and other related disbursements, incurred in the performance of official duties by the official, a member of the official's staff, or a member of the official's household accompanying him or her on such travel.

4. Meals and entertainment directly preceding, during or following a governmental or legislative activity;

5. Gifts for foreign dignitaries or visiting governmental officials from other nations or states;

6. Memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental or legislative purpose and membership does not provide a material personal benefit to the member;

7. Educational courses or seminars, if the courses or seminars maintain or improve skills which are employed in the performance of governmental duties by the official or a member of the official's staff;

8. Advertisements or endorsements in newspapers, program books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nomination or election of a candidate for public office, does not support or oppose a ballot issue in a manner not permitted by SMC 2.04.300, and if it is not published in the year in which the official's name will appear on the ballot;

9. Mailings to Seattle households which provide information related to City business, including City-sponsored events, so long as such mailings do not violate SMC 2.04.300;

10. Non-tax deductible portion of the cost of tickets to charitable or civic events.

11. Non-cash expressions of congratulations, appreciation or condolences sent to constituents, employees who do not work in the official's office or department, governmental officials, or other persons with whom the official communicates in his or her official capacity;

12. Payment of tax liabilities incurred as a result of authorized official expense fund transactions;

13. Accounting, professional and administrative services provided to the Public Office Fund.

D. Prohibited Office Fund Expenditures. Public Office Funds may not be used for the following:

1. An expenditure that in any way promotes the elected official's candidacy for any public office: Note that a campaign's use of equipment or supplies, such as a computer, paid for by Public Office Funds constitutes an illegal contribution to the campaign;

2. An expenditure that in any way promotes any other candidate for public office, or in any way supports or opposes a ballot issue in a manner not permitted by SMC 2.04.300;

3. Donations to tax-exempt charitable, civic or service organizations, including the tax deductible portion of the cost of tickets to charitable or civic events.

4. Memberships, other than those described in Rule 14.D.6;

5. Compensation or benefit supplements for City employees for performance of duties that would be required or expected in the regular course of performing City duties;

6. An expenditure that is not directly related to the elected official's duties as an elected official.

E. Separate Written Instruments. Separate written instruments are required for a campaign contribution, an office fund contribution, or a contribution to a political action committee.

F. Separate Mailing Address. The mailing address of all Public Office Funds shall be a different address from any address used by a candidate political committee. Any solicitation of funds for a Public Office Fund must contain this unique address and inform the person being solicited that the solicitation is for a Public Office Fund, not a political committee.

G. When Office-Holder is Re-Elected or Leaves Office. An elected official who wins reelection to the same office may not organize a new Public Office Fund, if one already exists. When an elected official leaves the office for which the Public Office Fund was established, he or she shall dispose of the surplus office funds as provided in SMC 2.04.480(G).

H. Office Funds Subject to Campaign Disclosure Regulations. All rules relating to the reporting of campaign financing contained in SMC 2.04 shall apply to Public Office Funds as if they were campaign funds, except as provided in this Rule 12.

Rule 15 – Monetary Thresholds

Pursuant to SMC 2.04.090.F, the Commission hereby finds that the reporting thresholds in SMC 2.04.165 (which have never been revised since this section was added to the Elections Code in 1999) are, in light of changes to reporting required by state law and inflation, too low.

The following thresholds are consistent with those on the F-1, which elected officials and candidates file with the Public Disclosure Commission.

The following table sets forth the new thresholds.

Section	Subject matter	Amount enacted	Revision effective January 1, 2010
.165.B.1.b	Bank accounts	$5,000	$20,000
.165.B.1.b	Other intangibles	$500	$2,000
.165.B.1.c	Creditors	$500	$2,000
.165.B.1.f	Compensation	$500	$2,000
.165.B.1.g.ii	Compensation to business entity	$2,500	$10,000
.165.B.1.g	Interest paid	$600	$2,400
.165.B.1.h	Real property acquired	$2,500	$10,000
.165.B.1.i	Real property divested	$2,500	$10,000
.165.B.1.j	Real property held	$2,500	$10,000
.165.B.1.k	Real property held by business	$5,000	$20,000
.165.B.2	Reporting Codes	Less than $1,000	Less than $4,000
.165.B.2	Reporting Codes	1,000 to $4,999	$4,000 to $19,999
.165.B.2	Reporting Codes	$5,000 to $9,999	$20,000 to $39,999
.165.B.2	Reporting Codes	$10,000 to $24,999	$40,000 to $99,999
.165.B.2	Reporting Codes	More than $25,000	More than $100,000

Seattle Ethics and Elections Commission
Elections Code Rules (rev. 6/12)

Rules 1-14 were adopted by the Seattle Ethics and Elections Commission at its November 7, 2007 meeting and were effective on December 11, 2007. The Commission members voting to take this action were:

Michele Radosevich, Chair
Mel Kang, Vice Chair
Tarik Burney
Lynne Iglitzin
Nancy Miller

Commissioner Robert Mahon voted against the adoption of Rules 1-14.

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CITY CLERK

Rule 15 was adopted by the Seattle Ethics and Elections Commission at its February 2, 2011 meeting and was effective on March 29, 2011. The Commission members voting to take this action were:

Robert Mahon, Chair
Bill Sherman, Vice Chair
Tarik Burney
Richard Cohan
Lynne Iglitzin
Amit Ranade
Michele Radosevich

Rules 4.D. and 11 were adopted by the Seattle Ethics and Elections Commission at its June 6, 2012 meeting and were effective June 8th, 2012. The Commission members voting to take this action were:

Bill Sherman, Chair
Tarik Burney, Vice Chair
Bruce Carter
Rich Cohan
Lynne Iglitzen
David Mendoza

STATE OF WASHINGTON
CITY OF SEATTLE

I, WAYNE BARNETT, Executive Director of the Seattle Ethics and Elections Commission, State of Washington, do hereby certify that this is a true and correct copy of the Elections Code Rules, implementing SMC 2.04, as amended on June 6, 2012.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of June 2012.

Wayne Barnett
WAYNE BARNETT, Executive Director