

# CLEAN CAMPAIGNS ACT

Protecting Democracy *from the* Corruption of Big Money & Foreign Influence



**Councilmember M. Lorena González**  
Seattle City Council // Position 9 - Citywide

## Our Democracy's Integrity Is Under Threat

### Big Money in Politics Creates the Appearance of Corruption

Big money has a corrupting influence on our elections. The mere *appearance* of corruption, particularly stemming from large individual financial contributions, is something that the U.S. Supreme Court has warned about as a danger to democracy.<sup>1</sup>



of Americans think that unlimited contributions to Super PACs lead to corruption<sup>2</sup>

### Big Money is Growing Exponentially in Seattle

There is a deluge of Independent Expenditures (IEs), or outside spending, in Seattle elections. IE spending more than doubled between 2013 and 2017. And IE spending is breaking new records in the 2019 election as well, more than doubling again.<sup>3</sup>

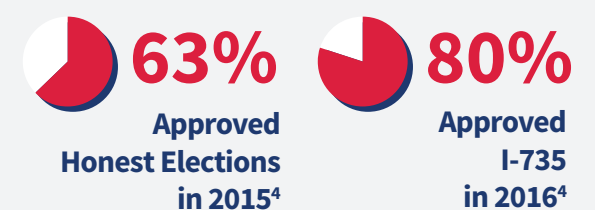


#### IEs Are Exploding in Seattle

### The Will of the Voters Is Being Subverted

Seattle voters overwhelmingly passed two anti-big money initiatives in recent years. Honest Elections, passed in 2015, was in part intended to minimize the ability of big money to buy local elections. I-735, passed in 2016, called for a constitutional amendment, clarifying that corporations don't have the same free speech rights as individuals and money isn't speech.<sup>4</sup>

#### Seattle Voters Want Big Money Out of Elections



## How the Clean Campaigns Act Protects Our Democracy



**American Money for American Elections**

### No Money from Foreign-Influenced Corporations

Foreign election interference is on the rise in America, as the 2016 election showed. Councilmember González's Clean Campaigns Act prohibits corporations with foreign influence (significant ownership by foreign shareholders) from making independent expenditures or contributions.

**\$5,000**

**Contribution Limit to IEs per Person / Company**

### Ending Big Money & Super PACs

The Clean Campaigns Act would effectively put an end to big money in Seattle politics. Contributions to IEs would be limited to \$5,000, meaning that a single organization or person could not contribute more than \$5,000 to IEs in total each election cycle. In contrast to current rules, the most that one company has contributed to IEs is \$1,500,000.<sup>3</sup>



**Political Ad Transparency**

### Systemic Transparency of Political Money & Ads

Seattle's landscape of political advertising is largely opaque, especially for IEs. The Clean Campaigns Act would require IEs, candidates, and advertisers to publicly report all advertisements, costs, etc. in order to create a comprehensive, transparent record.



**Grassroots Fundraising**

### Limited Contributor Committees

To allow for additional grassroots fundraising, the Clean Campaigns Act would establish Limited Contributor Committees (LCCs.) LCCs would be the only entities allowed to aggregate contributions above \$5,000, all from small donors. These committees would mirror the requirements of the small donor threshold as Seattle's Democracy Voucher Program.

## FAQs

### What are Super PACs and why are they a problem?

A Super PAC is a political action committee that can accept - and spend - an unlimited amount of money so long as it does not coordinate with a candidate.<sup>5</sup> As a result, Super PACs have become vehicles for donors to evade campaign contribution limits designed to prevent corruption and the appearance of corruption.<sup>7</sup> And Super PACs are being used by foreign interests to spend money on American elections.<sup>7</sup>

### Why should campaigns, PACs and advertisers have to be transparent about political advertisements?

Transparency fosters accountability and helps combat misleading information. The people of Seattle deserve to know what information is being used to target them, influence the election outcome, and affect our political climate. This is particularly true of online ads that may only be seen by a subset of people who are targeted by the advertiser.

### What makes a company foreign-influenced? Does foreign ownership really impact decision making?

According to federal law and academic literature, a single shareholder owning 1% or more of shares in a corporation may be in a position to influence corporate decision-making.<sup>2</sup> Thus, the Clean Campaigns Act defines a corporation as having foreign influence if a single foreign owner

holds, owns or controls at least 1% of total shares. Similarly, if two or more foreign owners control 5% of total shares in aggregate, a corporation is considered to have foreign influence.

### What is an independent expenditure and why would it be limited to \$5,000?

Independent Expenditures, or IEs, are campaign expenditures that are not coordinated with any candidate. Limiting IEs to \$5,000 would align Seattle's campaign finance laws with federal rules, which limit IE contributions from individuals to \$5,000 per election cycle.<sup>5</sup>

The only exception to the \$5,000 contribution limit would be Limited Contribution Committees, which would allow for grassroots fundraising while mirroring the requirements of the small donor threshold in Seattle's Democracy Voucher Program. For example, LCCs have to collect contributions from a minimum number of persons (150 for districted Council races / 400 for citywide Council races / 600 for Mayoral races,) and have contributions of less than \$500 per person.

# PEOPLE *not* PACS

Read the Legislation [bit.ly/clean-campaigns-act](http://bit.ly/clean-campaigns-act)

## How Big Money Distorts Democracy



# 65%

of Americans trust government less because of big money donations

### Big Money Reduces People's Faith in Our Elections and Our Democracy

About two in three Americans say that they trust government less because big donors to Super PACs have more influence than regular voters. Republicans (67%) and Democrats (69%) uniformly agree.<sup>8</sup>



# 26%

of Americans are less likely to vote because of big money donations

### Big Money Suppresses Voter Turnout

Roughly one in four Americans say that they are less likely to vote because big donors to Super PACs have so much more influence over elected officials than average Americans. Higher proportions of low income households (34%) are less likely to vote, as are African-American voters (29%) and Hispanic voters (34%).<sup>8</sup>



# 77%

of Americans think elected officials are more likely to act in the interest of big donors than the public

### Big Money Makes the Public Believe that Elected Officials are Subject to Special Interests

More than three-quarters of Americans agreed that members of Congress are more likely to act in the interest of a group that spent millions to elect them than to act in the public interest. Similar numbers of Republicans (81%) and Democrats (79%) agreed.<sup>8</sup>

## Contact

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## Sources

<sup>1</sup><https://www.law.cornell.edu/supremecourt/text/424/1>

<sup>2</sup><https://freespeechforpeople.org/wp-content/uploads/2016/10/FS-FP-Coates-Fein-Crenny-Dong-report.pdf>

<sup>3</sup><http://web6.seattle.gov/ethics/elections/home.aspx>

<sup>4</sup><https://www.kingcounty.gov/depts/elections/results.aspx>

<sup>5</sup><https://www.fec.gov/help-candidates-and-committees/making-disbursements-pac/contribution-limits-nonconnected-pacs/>

<sup>6</sup><https://www.opensecrets.org/pacs/superpacs.php>

<sup>7</sup>[https://freespeechforpeople.org/wp-content/uploads/2016/10/St.-Pete-Ordinance-FAQ-Full\\_1011.pdf](https://freespeechforpeople.org/wp-content/uploads/2016/10/St.-Pete-Ordinance-FAQ-Full_1011.pdf)

<sup>8</sup><https://www.brennancenter.org/our-work/analysis-opinion/poll-super-pacs-leave-americans-less-likely-to-vote>

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