

# SEATTLE ETHICS AND ELECTIONS COMMISSION

## ELECTIONS CODE RULES

### Rule 1 Definitions

The following definitions, ~~in addition to supplement~~ those in SMC 2.04.010, and clarify the meaning of terms used in ~~Seattle Municipal the Elections~~ Code (SMC) Chapter 2.04, shall be used to define the terms contained in ~~and~~ these rules. ~~Many of them cite the Washington Administrative Code (WAC) or section of State law (RCW), which they reflect:~~

(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; ~~or~~

(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. ~~WAC 390-16-038.~~

~~(B) The following circumstances shall give rise to a presumption that "candidate," as defined in SMC 2.04.010(8), includes an individual is a "candidate," as that term is defined in SMC 2.04.010(8): who~~ (1) ~~The consents to the~~ existence of a political committee promoting the election of such individual for public office ~~with the knowledge and consent of that individual~~; (2) ~~solicitation of solicits~~ campaign pledges contingent on candidacy; or (3) ~~A public declaration of publicly declares his or her~~ candidacy ~~by an individual~~, even if the candidacy is conditioned on a future occurrence. ~~WAC 390-05-200.~~

(C) \_\_\_ “consumable” means the amount paid for food, beverages, preparation, catering or entertainment furnished at ~~the an~~ event. ~~WAC 390-05-205.~~

~~(D) “continuing political committee” means a political committee that is an organization of continuing existence, not established in anticipation of any particular election campaign. RCW 42.17.020(13). Also known as Political Action Committees (PAC), such committees are organized for the purpose of collecting contributions to be given to various candidates or ballot issues, not for the promotion of one particular candidate or ballot issue. Note: neither a candidate nor an elected official may organize a continuing political committee.~~

~~(E) \_\_\_ “contribution” means, among other things, furnishing includes~~ services ~~or,~~ property or rights ~~furnished~~ on a discriminatory basis or at less than ~~their~~ fair market value ~~as defined in (M) below,~~ for the purpose of assisting any candidate or political committee. ~~When such in-kind contribution of goods or services is provided, it shall be reported at its fair market value pursuant to SMC 2.04.220 through 2.04.330. For example, if a~~

~~EXAMPLE: A person who is normally paid to be a campaign consultant assists in the development or distribution of political advertising, that person's time for a campaign. The campaign must be reported report the fair market value of the person's time as an in-kind contribution to the campaign at the value he or she would normally charge a campaign for such work.~~

~~(F) the following activities are not considered to be “contributions” or “independent campaign expenditures” reportable under SMC 2.04: (E) \_\_\_ “contribution” and “independent expenditure” under SMC 2.04.010 exclude the following:~~

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(1) news, feature, or editorial comment in a broadcast media program or in a regularly scheduled issue of a printed periodical ~~to communicate~~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) ~~of~~ 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;

(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, PROVIDED that no one else who is volunteering or working for the campaign uses the home office or uses the 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/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. ~~Clerical and computer services that are otherwise considered to be contributions~~

~~(F) "clerical services," to the extent that the services are rendered to or on behalf of a candidate or an authorized political committee for the sole purpose of ensuring compliance with City, County or State election or public disclosure laws must be reported as in-kind contributions, but are not calculated against a contribution limit. WAC 390-05-210.~~

~~(G) "clerical services," to the extent that the services are~~ 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. Clerical services are contributions, but are not subject to the contribution limit.

~~(H)~~(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. ~~It does not mean developing a database program that will be used for solicitation and thank you notes or assisting in the solicitation or thank you note generation activity. Such computer services are contributions, but are not subject to the contribution limit.~~ If the 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

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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 charge the campaign for those services.

~~(H)–(H)~~ “debt” means ~~and includes~~ a personal obligation or liability to pay or return something of value. ~~WAC 390-24-110.~~

~~(J)–“disclosure forms” means those forms printed and distributed by (I) the Washington State Public Disclosure Commission, copies thereof, or electronic media provided by the Seattle Ethics and Elections Commission (SEEC) that are used to comply with the Seattle Elections Code and these Administrative Rules except for some of those sections of the Seattle Elections Code that directly relate to Public Office Funds. Some of the forms used to comply with sections directly related to Public Office Funds will be printed and distributed by the SEEC. Forms or electronic media generated independently by computer or other means must be approved by the Executive Director.~~

~~(K)–“election cycle,” as defined in SMC 2.04.010(7), means a four-year period that begins May 1 of the year after the last election for the position sought and ends on April 30 of the year after the election for the position sought. For example, the election cycle for a candidate running for an office for which the primary election is in September and the general election is in November 1999 begins on May 1, 1996 and ends on April 30, 2000. For a special election to fill a vacancy, the election cycle begins on the day the vacancy occurs and ends five (5) months after the date of the special election. The election cycle” for ballot issue committees begins whenever the committee expects to receive contributions or to make expenditures and ends on April 30 of the year after the issue appears on the ballot. SMC 2.04.010(7).~~

~~(L)–“electronically file” means delivering a computer file to the SEEC by uploading the report to the SEEC’s website, or by Internet e-mail. The e-mailed file must be sent as an attachment to the e-mail message. The Executive Director shall have the authority to approve other methods of delivering a computer file for electronically filing.~~

~~(M)–(J)–“fair market value” (or “value”) means the amount in cash a well-informed buyer or lessee, willing but not obligated to buy or lease that property or services, would pay, and a well-informed seller, or lessor, willing but not obligated to sell or lease ~~it~~ property or services, would accept, taking into consideration all uses to which the property or services is adapted and might in reason be applied. ~~If, in determining “fair market value” or “value,” the amount a buyer would pay and the amount a seller would accept would be based on varying standards, then the fair market value of the contribution shall be based on the amount the contributor would ordinarily accept for selling the property, rather than the amount the candidate or political committee would ordinarily pay. For example, if a contributor who sells property in the ordinary course of his or her business at a wholesale price donates such property to a candidate or political committee who would ordinarily pay the retail price as a consumer, the fair market value of the contribution shall be the wholesale price. WAC 390-05-235.~~~~

~~(N)–(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” ~~also means~~ includes assisting a committee in responding to a complaint being investigated by the PDC or the SEEC or an audit by one of those agencies. “Accounting services” ~~means~~ includes maintaining the campaign’s financial records, completing required campaign finance reports, and reviewing the reports during or after an audit by the PDC or the SEEC.~~

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~~(O)-(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. ~~WAC 390-05-273.~~

~~(P)~~ "Office funds" (also called public office funds) are the funds that the Mayor, City Council members, and City Attorney are allowed to establish to defray non-reimbursed public office related expenses. Please see SMC 2.04.480 for provisions regarding the establishment, reporting and disposal of such funds.

~~(Q)-(M)~~ "ordinary home hospitality", as used in SMC 2.04.010(13), means general hospitality providing generally accepted means the provision of beverages and food items, such as coffee, tea, soft drinks, cookies, pie, cakes, chips. ~~It does not include catered events, or events~~ Events where the value of the consumables exceeds \$100 Ten Dollars (\$10.00) per person, do not qualify as ordinary home hospitality.

~~(R)-(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 is ordinarily paid, the ~~time is not exempt and must be valued at the market rate for such services and reported as an in-kind contribution to 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 who providinges campaign strategy advice, press event coordination, composition of or production of campaign advertising or fundraising materials; or a graphic artist who designings art for campaign advertising or designings the campaign advertising; ~~or a journalist who writes press releases for the campaign.~~

~~(S)-(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. ~~WAC 390-05-290.~~

~~(T)~~ "PDC" means the Washington State Public Disclosure Commission established by RCW 42.17.350.

~~(U)~~ "SEEC" means the Seattle Ethics and Elections Commission established by SMC 3.70.

~~(V)~~ "surplus campaign funds" are those funds received during a particular election cycle that remain in the account of a particular candidate or political committee after the candidate or political committee has made all expenditures and paid all debts that had been incurred in that election cycle.

~~(W)-(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. ~~WAC 390-24-105.~~

~~(X)~~ "tangible property" includes, but is not limited to, real property and improvements thereto, i.e., furniture, office desks, file cabinets, tables and machines, vehicles, printing and duplicating equipment, and computer hardware and software. ~~WAC 390-16-221(2).~~

## ~~2. FILING CAMPAIGN DISCLOSURE INFORMATION~~

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~~2.1 Full Reporting~~ All City political committees must follow the full reporting requirements described in SMC 2.04.160-290, except that candidate and ballot issue committees may qualify and register for mini-reporting pursuant to Rule 2.10 below, or be approved for an exemption under Rule 3 below. Copies of all forms required for compliance with the Seattle Elections Code SMC 2.04 are filed with the City Clerk. All committees, except for Public Office Fund committees, that do not file electronically must also file the original paper copy of each report with the PDG.

### Rule 2 Establishing Political Committees

~~A. Statement of Intent.~~ This rule clarifies when persons that contribute to campaigns with donated funds are subject to the disclosure requirements of SMC 2.04. This rule requires full reporting only if supporting or opposing City office candidates or City ballot issues is one of the major purposes of such persons.

~~A. Not Political Committees, Use of Own Resources.~~ Persons who contribute only their own resources to candidates, ballot issue committees, or political committees, are not political committees ~~subject to the reporting requirements of SMC 2.04.~~ "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.~~ Any person that has an expectation of receiving contributions for or making expenditures to support or oppose a candidate(s) or to support or oppose a ballot issue(s) ("electoral expenditures") may be a political committee ~~subject to the disclosure requirements of the Elections Code, SMC 2.04.~~ 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 and 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). ~~Such major purpose is conclusively evidenced when either A or B is true:~~In deciding whether an Organization meets the "major purpose" test, the Commission will examine the totality of the circumstances, including whether the Organization:

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- (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.

~~If either A. or B. is true, the Organization is a political committee at that time. An Organization does not become a political committee solely by making contributions to campaigns of resources other than its own resources.~~

~~**2.2.6-D. New Political Committee**— A political committee that is established to solicit contributions for or to make electoral expenditures involving City office candidates or City ballot issues, or that otherwise is, Regardless of whether a political committee at the time of its creation, shall file a C-1 with the City Clerk within fourteen (14) days has filed a statement of having an expectation of receiving contributions or making electoral expenditures involving City office candidates or City ballot issues. A political committee that is established during the final twenty-one (21) days before the election shall file a C-1 within three days of becoming a political committee. A political committee established between the thirty-fifth day and the twenty-first day that has not filed a C-1 before the 21<sup>st</sup> day, shall file a C-1 within three (3) days of becoming a political committee or on the 21<sup>st</sup> day before the election, whichever is later.~~

~~From its inception 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 on the appropriate C-3 and C-4 forms and the appropriate schedules and timely file such reports with the City Clerk, pursuant to SMC 2.04.230 and SMC 2.04.250. The political committee shall continue to report until the end of the election cycle as provided in SMC 2.04.375 and, for a continuing political committee, until the reporting obligation ceases under SMC 2.04.230 (D).~~

~~**2.2.7-E. Existing Political Committee.**~~

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Each political committee described in ~~A~~, ~~B1, 2~~, or ~~C3~~ 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 ~~(the expectation)~~ 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 ~~on line 8~~ 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. ~~Such reports shall be timely filed under SMC 2.04.230 and SMC 2.04.250. The political committee shall thereafter report all contributions and expenditures until the end of the election cycle as provided in SMC 2.04.375 and, for a continuing political committee, until the reporting obligation ceases under SMC 2.04.230(D).~~

**A.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 ~~fourteen~~ (14) days of the expectation, file with the City Clerk a copy of its C-1 report filed with the Washington State Public Disclosure Commission.

**B2.** An existing political committee that during the final ~~twenty-one~~ (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.

~~C.3.~~ An existing political committee that between the thirty-fifth day and the twenty-first 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 has not filed a C-1 before the 21<sup>st</sup> day, shall file a C-1 within three ~~(3)~~ days of first having the expectation, or on the 21<sup>st</sup> day before the election, whichever is later.

~~2.2.8 Segregated Funds—Those Organizations that segregate contributions for the purpose of making electoral expenditures need report only the contributions placed in the segregated funds and the electoral expenditures made from the segregated funds. Such Organizations may not, however, make electoral expenditures from other funds, without reporting all contributions received and all expenditures made to the Organization.~~

**F. Committees Organized Before the Election Cycle.** A candidate ~~running for Mayor, member of the City Council, or City Attorney~~ 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 ~~for such office.~~ 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 Cycle.** If a candidate has multiple election committees open simultaneously for offices that are on the ballot in different election cycles then all expenditures

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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.** 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.** 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 required information, (ii) are not submitted in a Commission-approved format, or (iii) contain knowing errors or omissions of fact, are not considered filed, and subject the committee to late filing penalties. ~~For the purposes of this section, reports will be considered late for the following reasons: (1) the reports are filed after their due date, (2) the reports do not contain required information, or (3) the reports contain knowing errors or omissions of fact.~~
- C.** **Electronic Filing.**
- (1) **Uploading**
- (a) **Orca Method.** Filers will upload reports to the Commission using the interface provided for this purpose in the Public Disclosure Commission'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](http://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.**

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(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.

~~1. Upload Application. Filers, using web browsing software, enter the upload application by opening the following web page:~~

~~www2.ci.seattle.wa.us/ethics/filers/login.asp~~

~~Users then log in to the application using the user name and password provided to them by the SEEC staff.~~

~~The required method for entering the upload application may be changed by the Executive Director by placing new instructions at the above referenced web address on how to enter the application.~~

~~**ii. Review and File Reports.** The filer will follow the instructions in the application to upload properly formatted electronic files. The filer will review the contents of each report as displayed by the application. If the contents, as displayed, are true and correct the filer will follow the instructions provided by the application to certify the report, and also to 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.~~

~~Filers may also choose to just upload reports using the application and then certify the reports by filing a paper "Certification Form" with the Seattle City Clerk in the form provided by the Executive Director.~~

2. Password. Each individual filer is given a password by the SEEC 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 must not divulge his or her password to any other person.~~ A person to whom the SEEC assigns a password is personally responsible for all filings made using that password or any succeeding password established using the initially assigned password.

(4) 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.

### **B. Email Method**

The email method shall be used for filing only in the following circumstances:

- ~~1. When the upload application described above has repeatedly displayed error messages after at least 2 separate attempts to use it while connected to the internet.~~
2. When the upload application directs the user to send the efile by email.
3. When directed to file via email by the staff of the SEEC.

~~Filers will send an Internet E-Mail to two addresses:~~

~~clerkfiling@seattle.gov  
filing@eskimo.net~~

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~~The Executive Director may change these two addresses at any time and will notify all electronic filers of such a change.~~

~~The filer will attach to this email the properly formatted electronic files. The filer will also provide a brief description of what files are attached in the subject line or body of the email, for example "2 new C3s, 1 amended C3 and 1 C4".~~

~~**C. Paper Reports to Match Emailed Reports.** In addition to the emailed electronic file, each email filer shall also file a certified paper copy of each report with the Seattle City Clerk. The filer shall ensure that the information disclosed in the paper copy is identical to the information disclosed in the emailed electronic copy of the report.~~

D. C-3 Reports. ~~C-3 forms shall be used to report deposits made.~~ A separate C-3 must be filed for each deposit. 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. ~~If two contributors are reported on the same line then the occupation and employer of both contributors must be reported so that it is clear which contributor is associated with which occupation and employer.~~ Organization names shall be listed without using acronyms. ~~The reports shall also include the occupation and employer of each contributor who has contributed more than One hundred Dollars (\$100.00) in the aggregate.~~ 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. ~~Committees may use a C-3 to report special late contribution(s) in lieu of the Special Report as long as the C-3 is filed no later than 4:30 p.m. the next business day after the receipt of the contribution pursuant to SMC 2.04.265, and an electronic message is sent to the SEEC at the time the C-3 is filed stating that the Special Late Contribution is reported on the C-3 of (date) and (deposit amount).~~

F. ~~Due dates that fall on Saturday, Sunday or a holiday on which the United States Post Office is closed shall be moved to the following business day. Reports due on Saturday, Sunday or a postal holiday must be filed by the close of 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 SEEC's server software records receipt of such a file. The Executive Director shall have the authority to approve the use of a third-party vendor for "date stamping" of electronic files or Internet e-mail messages. Once approved, reports filed using this vendor's date stamping will be considered filed on the date of the date stamp.

### G. Amending Reports

~~1. To correct an error on a C-4 filed two or more reporting periods previously, a campaign may amend the original report and file a correction on Schedule C with the current C-4. This corrects the problem on the original report, adjusts the totals on the current report, and eliminates the series of C-4 amendments for the intermediate reports. Example: On March 1, a treasurer discovers that she failed to report an expenditure of \$10 on the C-4 filed the previous December. The treasurer amends the December report and files a Schedule C with the C-4~~

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~~due March 10, to adjust the amount reported in the current Line 17 (Total Expenditures). The January 10 and February 10 reports do not need to be amended.~~

~~Or a campaign may choose to amend all the reports affected by the adjustment.~~

1. ~~When an amendment changes the monetary amounts (other than individual aggregates for individual contributors), the report must be completed and refiled, with the word "AMENDED" on the top of the form and a notation at the bottom that provides the date amended and the words "amended by" followed by the signature of the person submitting the amendment. If the amendment provides information that does not change the monetary information or that merely changes the individual aggregate for an individual contributor, the information may be submitted on the appropriate form with a reference to the original filing, or in a note describing the amendment and a reference to the deposit date. Such amendments to C-4's must also reference the original filing date.~~

2. All C-3 amendments shall be ~~certified signed and dated~~ 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 Request.** Any person required to file reports under the Seattle Elections Code, ~~SMC 2.04~~ who seeks modification of the reporting these requirements shall submit to the Executive Director an application identifying the modification requested and the reasons for the requested modification no later than five ~~(5)~~ business days after the date that the statement of organization ~~(C-1)~~ is due to be filed under the Seattle Elections Code ~~2.04~~.

**B. Exception to Modification Request Due to Changed Circumstances.** The only exception to subsection (a) of this rule is that a person who has substantially complied with SMC 2.04 and these rules may make a request for modification based on changed circumstances after since the C-1 was filed, but 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 ~~(5)~~ 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. Limited Suspension of Reporting Requirements.** Unless and until a request for modification is granted, all filings shall be in full compliance with the Seattle Elections Code 2.04 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.

**D. Public Hearing for Modification Request.** Except as provided in Rule 3.4 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.

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~~3.3 Criteria for Exempting Disclosure. The Commission will use the following criteria to determine whether a disclosure exemption should be granted: The requesting party has demonstrated a reasonable probability that: (a) the required disclosure of contributors' names will subject the contributors to threats, harassment, or reprisals from government officials or private parties; and (b) as a result of disclosing the contributors' names, the advocacy of a dissident view would be hindered and the right to free association would be chilled.~~

~~E. 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 Public Disclosure Commission. 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. Unless the Commission requests a public hearing, the Executive Director will not schedule a hearing for review of modification of personal financial disclosure that has been granted by the PDC. Evidence that the PDC granted modification of reporting personal financial disclosure information required of candidates pursuant to RCW 42.17.241 and SMC 2.04.170(A) may be sufficient to receive a grant of the same modification from reporting information to the Seattle City Clerk. The Executive Director shall submit such evidence to the Commission at a Seattle Ethics and Elections Commission meeting. The Commission shall then grant the same modification or may request a hearing.~~

### Rule 6 Receipts

**A. Contributions from Unemancipated Minors.** Contributions from unemancipated ~~minor children~~ (children under 18 years of age) shall be attributed to their parent(s) or guardian(s). Campaigns that receive such contributions shall report them on the C-3 report as contributions from the parent(s) or guardian(s) and include a note with the C-3 report explaining the attribution. If the child has more than one parent or guardian the contribution shall be attributed to the parents in amounts determined by instructions from a parent or guardian or, if no such instructions are received by the campaign, the contribution shall be attributed equally among all parent(s) or guardian(s) and shall be included in the calculation of aggregate contributions for those parent(s) or guardian(s).

**B. Contributions from Emancipated Minors.** Emancipated ~~minor children~~ (children under 18 years of age) may contribute to a campaign up to ~~(Six hundred Dollars (\$600)) to a candidate in one election cycle~~ if: (a) the decision to contribute is made knowingly and voluntarily by the emancipated minor child; (b) the funds, goods, or services contributed are owned or controlled exclusively by the emancipated minor 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.

**C. 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 and differs from the guidelines set forth below, the campaign treasurer shall report the known source of the contribution, ~~or the treasurer will be deemed to have concealed the true source of the contribution in violation of SMC 2.04.290(A).~~ Contributors of contributions made through an intermediary or conduit or transmitted by an intermediary shall identify the true and actual source of the funds. To identify the source of a

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contribution received by check or other written instrument, a candidate or treasurer ~~shall apply the following guidelines:~~

1. ~~Attribute a~~ contribution drawn ~~upon a single account shall be attributed~~ to the person whose ~~account holder as identified by the~~ name is printed on the face of the check or negotiable instrument.
2. ~~Attribute a~~ contribution drawn upon a joint account ~~shall be attributed~~ 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 business which is~~ a sole proprietorship ~~shall be attributed~~ to the business's owner ~~of the business entity~~.
4. Except as provided elsewhere in this subsection ~~(d)~~, attribute a contribution drawn upon the account of a partnership shall be attributed to the individual partner who authorized the payment. Such contribution shall be reported as a contribution from the partnership and the partner and the amount shall be attributed to the partner. When the partnership's usual procedure is to require more than one partner to authorize a campaign contribution and such procedure is followed, the contribution shall be attributed to the partnership as a separate entity and the contribution shall be reported as a contribution from the partnership without the names of the authorizing partners.

A contribution drawn upon the partnership account but which is to be paid from the capital account of one or more individual partners shall identify at the time of transmittal to the candidate or treasurer the name(s) of the contributing partner(s) and shall be attributed to and reported as from the contributing partner(s).

5. ~~Attribute a~~ contribution drawn upon the account of an entity, including a corporation, partnership, joint venture, limited liability company, union, association or other organization, ~~shall be attributed~~ to the entity except as provided in the preceding paragraph Rule 4.7 or subsection 4.6(d)(D) below. Any contribution that is reported from any entity must identify the entity indicate the entity's type as either 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.

**D. Attribution of an Entity's Contribution.** Any contribution drawn upon the account of a Corporation, Union, Association, or some other entity shall be attributed to that Corporation, Union, Association, or other entity, except sole proprietorships, partnerships, and political committees, as a separate entity unless (i) paragraphs (C)(3) and (C)(4) above provide otherwise, or (ii) the entity is an affiliate of an individual or another entity pursuant to this subsection that entity is an affiliate of an individual, as discussed in A below, or affiliated with another entity, as discussed in B below. If an entity is affiliated with an individual or two ~~(2)~~ entities are affiliated pursuant to these rules, then contributions from such entities will be reported on a C-3 report as contributions from the individual or whichever entity first contributed to the campaign in that election cycle, as appropriate, and a note shall accompany the C-3 report explaining the attribution ~~and shall include the names of all persons involved~~.

**1. Attribution to an Individual.** For reporting purposes and for the purpose of the mandatory limitation on contributions, all contributions by affiliates of an individual shall be

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treated as contributions by that individual, ~~and all such contributions of the individual and his or her affiliates when added together shall not exceed the maximum contribution limit permitted under SMC 2.04.370.~~ The individual shall be reported as the contributor of all contributions by the affiliates of the individual.

For the purposes of this rule ~~and the limitation in SMC 2.04.370:~~

(1) "affiliate" means, with respect to any individual, any entity ~~(whether a corporation, limited liability company, trust, or other form of entity—excluding sole proprietorships and certain checks drawn on partnership accounts because both are addressed in Rule 4.6(c) and (d))~~ in which the individual has any ownership interest and that is directly or indirectly controlled by such individual; and

(2) "controlled by" means ~~the~~ possessing, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting interests, by contract or otherwise.

~~The following examples are provided for guidance only. They do not represent all possible situations subject to this rule.~~

Example 1: Contributions of a publicly held company are attributed to that company.

Example 2: The company on whose account the contribution check is drawn is privately owned by one or more owners and one of the owners holds more than 50% of the ownership interest in the company. The company's contribution is attributed to that owner.

Example 3: The company on whose account the contribution check is drawn is privately owned by two or more individuals, none of whom holds more than 50% of the ownership interest in the company (this example includes a company owned in whole or in part by persons in a marital relationship, so long as each person holds 50% or less of the ownership interest in the company) and:

(a) one of the owners also manages or otherwise directs the operations of the company. In this case the company is an affiliate of the managing or directing owner. The company is controlled by that owner, resulting in the contribution being attributed to that owner.

(b) the company hires a person to manage the operations of the company, but the approval of one particular owner is required or is in fact typically obtained with respect to significant expenditures by the company (including expenditures in the amount of the contribution). The company is controlled by that owner, resulting in the contribution being attributed to that owner.

(c) the company hires a person to manage the operations of the company, but the approval of more than one of the owners is required and is in fact typically obtained with respect to significant expenditures by the company (including expenditures in the amount of the contribution). The company is not controlled by any single owner or the manager, resulting in the contribution being attributed to the company.

Example 4: ~~The company on whose account the contribution check is drawn is a partnership in which one or more of the partners has the authority to write checks in amounts up to the amount of the contribution without obtaining the approval of the other partners as to the amount or the recipient of the check. If only one partner authorized the check for the contribution, the~~

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~~company is an affiliate of the partner who authorized the check, resulting in the contribution being attributed to that partner.~~

~~Example 5-~~ The company on whose account the contribution check is drawn is privately owned. The Treasurer of the company has the authority to sign the check. The contribution is not attributable to the Treasurer unless the Treasurer also has the authority to determine the amount and the recipient of the contribution and did so.

**2. Attribution to An Entity:** (1) Two ~~(2)~~ or more entities are treated as a single person and share one contribution limit under SMC 2.04.370 if one of the entities is:

- (a) A corporation and the other is a branch or division of the corporation; or
- (b) A national or international labor union, or state body of such national or international labor union, and the other is a local union or other subordinate organization of such national or international labor union or state body; or
- (c) A trade association or state body of such trade association and the other is a branch or local unit of such trade association; or
- (d) A national or state collective bargaining organization and the other is a branch or local unit of such national or state collective bargaining organization; or
- (e) A national or international federation of labor unions, or a state federation of labor unions, and the other is a local body of such federation; or
- (f) A membership organization and the other is a local unit or branch of such membership organization; or
- (g) A political committee established, financed, maintained, or controlled by the other entity, and that other entity is an entity referenced in (a) through (f) above. WAC 390-16-309(1)

(2) In addition to paragraph (B)(1) above, two ~~(2)~~ or more entities shall be treated as one person entity and share a contribution limit under SMC 2.04.370 if one of the entities is established, financed, maintained or controlled by the other, as evidenced by any one of the following factors:

- (a) ~~Whether~~ one entity owns a controlling interest in the voting stock or securities of another entity; or
- (b) ~~Whether~~ one entity has authority or the ability to direct or participate, other than through a vote as a member, in the governance of another entity through provision of constitution, bylaws, contract or other formal or informal procedure or has authority or the ability to hire, appoint, demote or otherwise control, other than through a vote as a member, the officers or other decision making employees or members of another entity; or
- (c) ~~Whether (i)~~ one entity has a common or overlapping membership with another, because such membership indicates either a formal or ongoing relationship between the two organizations or the creation of a successor entity; and (ii) the entity has an active or significant role in the formation of the other entity; and (iii) the entities have similar patterns of contributions or contributors which indicate a formal or ongoing relationship between the entities; or

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(d) ~~Whether~~ one entity provides, causes or arranges funds, services or goods in a significant amount or on an ongoing basis, through direct or indirect means to the other entity, for less than full consideration. Full consideration includes the payment of membership dues.

**E. 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. ~~RCW 42.17.670.~~

**F. Procedures for accepting and reporting contributions made by credit/debit card.**

~~1. A campaign that wishes to accept credit/debit card contributions must use a merchant identification number unique to the committee, rather than that of a third party. A merchant identification number is necessary to process credit/debit card transactions and it is linked to a bank account to which the credit/debit card company makes deposits. The merchant account number must be in the name of the committee and may not be shared with another entity. The merchant account number must be provided to the Commission.~~

~~2-~~ 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.

~~3. RCW 42.17.060(1) requires all monetary campaign contributions to be deposited within five business days of receipt.~~ 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

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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. ~~In that case,~~ 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.

4. A candidate or political committee must treat the full amount of a donor's 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.

5. 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. ~~When a contribution is made by credit/debit card over the Internet, the requirement that contributions over the amount stated in RCW 42.17.740(1) and SMC 2.04.180(A) and biennially revised by the Public Disclosure Commission (\$60 in 2000) must be made by written instrument is satisfied by an electronic record of the transaction created and transmitted by the accountholder. This record must be printed in hardcopy and preserved by the recipient candidate or political committee for five calendar years in compliance with RCW 42.17.065(7) and RCW 42.17.080(5), SMC 2.04.230(G) and SMC 2.04.250(E).~~

6. ~~For the purposes of RCW 42.17.065 and RCW 42.17.080, SMC 2.04.230 and SMC 2.04.250, proof of compliance with this rule, all statements and correspondence relating to the campaign's credit/debit card transactions, and transaction records containing the following information concerning persons who contribute using credit/debit cards must be kept by candidates and political committees and be available for audit and/or public inspection of records. 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:~~

- ~~• Name of Contributor~~
- Name on Card
- ~~• Address of Contributor~~
- ~~• Amount Contributed~~
- ~~• Date Contribution Received~~
- ~~• Employer/Occupation (If required by WAC 390-16-034 and SMC 2.04.250(D))~~
- Date Contribution Processed (submitted to the bank)
- Authorization Code provided by the bank
- Expiration Date of Credit/Debit Card
- Credit/Debit Card Type (Visa, MasterCard, American Express, etc.)
- Last Four Numbers of Credit/Debit Card

7. 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

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entity card or the card of another, (d) the contributor is at least 18 years old, ~~and (e) if~~ the contribution ~~exceeds is more than~~ \$100, the web site must also require the contributor to list his/ or her occupation and the name, city and state of his/her employer.

### G. Other

**1. Vendors to Bill for Services.** Any vendor who fails to disclose, within ~~sixty (60)~~ days after delivering goods or services ~~services or products~~ to a campaign, the value of the goods or services ~~services or products~~ 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, ~~and shall be liable for an illegal campaign contribution, whether or not the services or products are intended to be an in-kind contribution.~~

**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. ~~Vendors may extend credit to candidates or committees in the ordinary course of business in the same manner as extended to persons for other than campaign purposes and so long as the vendor makes a commercially reasonable attempt to collect the debt or obligation. A vendor who extends credit other than in the ordinary course of business has made a campaign contribution. 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 ninety (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. Evidence of a commercially reasonable attempt to collect shall include~~ 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 ninety (90) days after receipt of a bill or invoice and in no event later than ~~ninety (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 ~~the provisions of~~ SMC 2.04.210.

~~5. The Schedule B shall be used to report in-kind contributions.~~ 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 ~~and report it on a Schedule B~~ with a notation that the value is estimated. ~~On the C-4 filed after the~~ Once the actual value is known, report on lines 1 and 2 of a Schedule C ~~the committee must~~

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report the correction for 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, ~~which is determined by the office and date of election. For example, a candidate for City office with elections in September and November 2003 may accept contributions only from May 1, 2000 through April 30, 2004.~~ 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.

For 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. ~~No Unattended Containers for Contributions~~ Cash Collected at Unattended Containers.** ~~Fund-raising activities in support of candidates or ballot issues in City elections must conform with the requirements of SEEC Rule 2.7 and SMC 2.04.250, which require campaigns to maintain records identifying all contributors. Therefore, campaigns must have a campaign agent accepting all payments made to the campaign to discourage the solicitation of anonymous contributions or the acceptance of anonymous payments at low-cost fund-raising activities.~~ 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. Qualified Low-Cost Fundraiser Activities.** 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 ~~Twenty-five Dollars (\$25).~~

**c.** Payment of more than ~~Twenty-five Dollars (\$25.00)~~ 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

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payments aggregate to more than One ~~hundred Dollars~~ (\$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 practicable to obtain the names and addresses of the contributors may be reported pursuant to SMC 2.04.220(C)(6).

e. The low-cost fund-raiser report for a sales event shall include ~~for a sales event~~: 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. **Consumables are Deductible.** 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. ~~SMC 2.04.010(13).~~

b. **Notify Contributors of Deduction Amount.** 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.

~~**What to Report.** To deduct the cost of consumables, the campaign must attach to the C-3 report an explanation of how the campaign calculated a cost of consumables for each attendee, then provide the following: On line 1e or line 2 of the C-3 report the "net" amount of each contribution, i.e. the actual amount of each contribution minus the calculated cost of consumables. On line 1d report the total funds deducted pursuant to these rules for all attendees.~~

~~**When to Deduct.** The cost of consumables may be deducted at the time the contribution is received, except when Rule 6.5 below applies.~~

c. **Consumables Deducted Only for Individual who Purchases Tickets.** 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 Over the Contribution Limit.** If a committee receives a contribution over the contribution limit, the treasurer or deputy treasurer may 1) return the contribution, or 2) 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 within 60 days of the campaign's receipt of the after the date the campaign first received the illegal contribution, the treasurer must shall 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.

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**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 campaign committee, which shall be subject to the Election Code's campaign contribution limits contained in SMC 2.04.265 and 2.04.370, unless that person is reimbursed within 21 days of the expenditure. Undocumented out-of-pocket campaign expenditures are in-kind contributions subject to the Elections Code's contribution limits contained in SMC 2.04.265 and 2.04.370.

**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 Fifty Dollars (\$50.00), 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 Fifty Dollars (\$50.00), the purpose of the payments and the amounts of the payments.

**D. Outstanding Obligation.** When an obligation of fifty (\$50.00) or more has been outstanding for thirty (30) days or more or when the estimated value of an obligation at the time it is incurred is Two-hundred and Fifty Dollars (\$250.00) or more, the following shall apply. On line 3 of the Schedule B, the treasurer shall report the actual value, if known, or a reasonable estimate of the value of the obligation.

**E. Expenditure Purpose Detail-Description of Expenditure.** On the Schedule A, Treasurers shall include, in the "purpose of expenditure" column for each expenditure detailed, provide a narrative 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.** Pursuant to RCW 42.17.125, 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. Candidates have an affirmative obligation to prove that an expenditure is not a prohibited personal use.

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**2. Campaign Expenditures that Benefit Candidate, Committee Staff or Volunteers.**

~~Campaign funds may only be used for the personal benefit of the candidate, campaign staff, campaign volunteers or other persons when the expense is allowed under RCW 42.17.125 (various reimbursements) and WAC 390-16-238 ("Except as specifically allowed by RCW 42.17, any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a prohibited personal use of campaign funds under RCW 42.17.125."). Permissible campaign expenditures include those for benefits that are communally shared and accessible to all campaign staff and volunteers and that are directly related to the candidate's campaign (such as a campaign pizza party or other team building event that occurs during the course of the campaign). 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 ~~(see RCW 42.17.095).~~

**G. INTERNET USE**

~~(1) A campaign 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 campaign contribution.~~

~~(2) When someone other than the campaign 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.~~

~~(3) 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. However, 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 reportable, either as expenditures by the campaign, or in-kind contributions to the campaign.~~

~~(4) 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.~~

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(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.

### (5) Electronic messages and Listservs

(a) 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.

~~**1. Web sites set up by political committees:** The campaign 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 is not ordinarily paid for that work and is not paid by someone to do the work, the value of that work is not a campaign contribution. The charges for the Internet Service Provider or the purchase of a domain name are reportable expenditures.~~

~~**2. Web sites set up as an in-kind contribution or independent expenditure:** When someone other than the campaign 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, One hundred Dollars (\$100) or more is expended but 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.~~

~~**3. Web sites set up by volunteers from their home computers:** 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. However, 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 reportable. They would be reported as expenditures by the campaign, or in-kind contributions to the campaign, as appropriate.~~

~~**4. Hyperlinks to candidate or ballot issue committee web sites or e-mail addresses.** Expenditures for hyperlinks or other programming that directs a user to a web site (hereafter "hyperlink") can never be independent expenditures because hyperlinks send the user directly to the campaign's political advertising. SMC 2.04.020(13) provides that distributing copies of part or all of a campaign's advertising is not an independent expenditure, but a contribution. This rule applies even if any text or graphics associated with the hyperlink itself do not endorse or urge the voter to vote for the subject of the web site to which the hyperlink sends the user.~~

~~Hyperlinks to candidate or ballot issue committee web sites or e-mail addresses are not contributions unless:~~

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

~~(b) money is expended to post the hyperlink, in which case the person spending the money has made an in-kind contribution; or~~

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~~(c) money is expended to advertise the site on which the hyperlink 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.~~

~~Expenditures for posting, maintaining, or advertising a hyperlink will not be considered a campaign contribution when the entity provides hyperlinks to all candidates in the same race, without editorial comment or ranking of the candidates by order of presentation. For example, hyperlinks 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.~~

~~**5. Hyperlinks on campaign web pages or on political committee web pages to the web pages or e-mail addresses of other campaigns.** Hyperlinks on campaign web pages to the web pages or e-mail addresses of other campaigns do not constitute contributions to the other campaigns, unless they involved expenditures for items such as posting, maintaining, or advertising the links. Candidate campaigns may not post hyperlinks on their web sites to other candidate web sites or e-mail addresses if expenditures are involved. To do so would violate the provision in State and City Law (RCW 42.17.790 and indirectly, SMC 2.04.375(9)) that prohibits the transfer of campaign funds to a campaign other than that listed on the candidate political committee's statement of organization. Hyperlinks on political committee web pages to the web pages or e-mail addresses of campaigns do not constitute contributions to the campaigns, unless there was an expenditure involved in posting, maintaining, or advertising the link to persons other than the political committee's contributors. Expenditures for hyperlinks can never be independent expenditures because hyperlinks send the user directly to the campaign's political advertising. SMC 2.04.020(13) provides that distributing copies of part or all of a campaign's advertising is not an independent expenditure, but a contribution. This rule applies even if any text or graphics associated with the hyperlink itself do not endorse or urge the voter to vote for the subject of the web site or e-mail address to which the hyperlink sends the user.~~

~~**6. E-Mail Messages Distributed By Volunteers.** E-mail to promote or oppose a ballot issue or a candidate by a volunteer using his/her own personal e-mail account (i.e., an account for which no one else has paid, that is in the volunteer's name as the accountholder, and is the primary e-mail address the volunteer would give his/her friends and family), is not a campaign contribution unless the list to which the e-mails were sent has value. E-mail lists that are purchased have value. Lists that are compiled from private sources, other than the person compiling the list, have value. Lists compiled from public records by a person paid to compile them have value. Lists compiled from public records by a volunteer do not have value for the campaign for which they were compiled. If that campaign transfers such list to another campaign or uses the list to assist another campaign, the list has value. Lists compiled by an individual solely as a result of personal correspondence with family and friends do not have value. If the list has value, the distribution of the e-mail message is an in-kind contribution or an independent expenditure of the value of the list. If the design, development, or distribution of the e-mail was done without the consent, collaboration, coordination, consultation or cooperation of the campaign, and the value of the list is more than \$100, the expenditure must be reported as an independent expenditure in the amount of the value of the list.~~

~~**7. Listservs Are Reportable** The cost to set up and maintain a listserv must be reported, either as a campaign expenditure if paid for by the campaign, an in-kind contribution if paid for by the candidate, or as an in-kind contribution subject to the contribution limit if provided to the campaign by someone other than the candidate. Any expenditure made to promote or advertise the listserv address is reportable. Any costs associated with adding non-subscriber addresses to the listserv are reportable. Lists of non-subscriber e-mail addresses (lists) that are purchased have value. Lists that are compiled from private sources, other than the person compiling the list, have value. Lists compiled from public records by a person paid to compile them have~~

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~~value. Lists compiled from public records by a volunteer do not have value for the campaign for which they were compiled. If that campaign transfers such list to another campaign or uses the list to assist another campaign, the list has value. Lists compiled by an individual solely as a result of personal correspondence with family and friends do not have value. If the list has value, the distribution of the listserv message is an in-kind contribution or an independent expenditure of the value of the list. If the design, development, or distribution of the listserv was done without the consent, collaboration, coordination, consultation or cooperation of the campaign, and the value of the list is more than \$100, the expenditure must be reported as an independent expenditure in the amount of the value of the list.~~

### 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. ~~See WAC 390-16-200 and SMC 2.04.290(A).~~

**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/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. ~~See SMC 2.04.010(13).~~

**D. No Independent Acts with Inside Knowledge.** ~~Any person involved in the activity of a campaign, including paid consultants and unpaid volunteers, are considered incapable of making independent expenditures that benefit that campaign. There is a rebuttable presumption that they cannot act independently for the benefit of the campaign since they have inside knowledge of the campaign's activity. No person involved in 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.** 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 in ~~Rule 10.3~~ below. Campaign or candidate web sites and electronic communications ~~via listservs or e-mail~~ promoting or opposing ballot issues or candidates are political advertising that require sponsor identification ~~under RCW 42.17.510 and SMC 2.04.290, except under the following circumstances. Web sites and communications via listservs or e-mail do not 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 are not

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ordinarily ~~charge a fee paid~~ to design, draft, or distribute web site or ~~electronic -mail~~ communications, are not paid by someone to do so, and are using their personal computers and lists of e-mail addresses that ~~are deemed to not~~ have no fair market value. ~~Rules 2.9.4 and 2.9.5 describe when e-mail lists and lists used for listservs have value.~~

**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, per *McIntyre v. Ohio Elections Comm'n*, 514 US 334, (1995);

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

**C. Exception for Broadcast Advertising—Address Exempted.** Broadcast political advertising need not include the sponsor's address, but must include the the sponsor's name. ~~The broadcast of political advertising is exempt from including the address of the person that paid for the advertisement (sponsor) and requires only the sponsor's name.~~

#### **Rule 10 Prohibition Against Use of Public Office Facilities in Campaigns**

**A. Permissible Activities.** ~~The restrictions of SMC 2.04.300 does not prohibit do not restrict any such person-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 their normal conduct. ~~See WAC 390-05-271.~~

**B. Authorized Use of Facilities.** ~~Any use of public facilities to assist a candidate or to promote or oppose a ballot proposition must be authorized by a constitutional, charter, or statutory provision. See WAC 390-05-273.~~

#### **Rule 11 Winding up a Campaign**

**A. Show Disposition of All Surplus Funds and Assets.** ~~A final report consists of a C-4 report marked "final."~~The final C-4 report must show the disposition of any surplus, or debt, and any capital asset for which the campaign paid ~~Two-hundred Dollars (\$200.00)~~ or more, or an in-kind contribution valued at ~~Two-hundred Dollars (\$200.00)~~ or more, on a Schedule A, Schedule L or C-3, as appropriate ~~(as discussed below)~~. If the campaign disposes of such capital assets, it shall attach to the C-4 for the period a note describing the asset, date of purchase and name and address of the person or new political committee to which the asset is being transferred. The ~~C-4 marked "final"~~ final report must show a zero balance. ~~(\$0.00) on Line 20. Failure to file a final report on or before the tenth (10th) day of the month after the last day of the election cycle will be considered a failure to file. The candidate or ballot issue committee shall incur a civil penalty of Ten Dollars (\$10.00) per day for each day the final report is late, as provided in SMC 2.04.330(B)(1).~~

**B. Contributor's Permission Required to Transfer Surplus.** ~~Candidates may transfer surplus campaign funds or assets for which the campaign paid Two-hundred Dollars (\$200.00) or more to a committee for a different office with the permission of the contributors.~~A candidate must, in writing, ask sufficient contributors who are eligible pursuant to Rule 7.4.2 below, to sign a grant of permission to transfer the funds or assets from the committee for the former office to a committee for an identified new office. The contributors who must grant permission for transfer of funds or assets are those contributors identified pursuant to Rule 7.4.2 whose listed contributions equal the amount of the surplus funds or fair market value of assets to be transferred. ~~The contributors who must grant permission for transfer of an asset are those contributors identified pursuant to Rule 7.4.2 whose contributions equal or exceed the fair market value of the asset at the time of transfer.~~ A transferred asset is not attributed to a contributor; **rather** it is transferred from the old committee.

#### **C. Transferring surplus funds or assets.**

**(1)** The Executive Director will prepare a list of contributors who may give permission to have their contributions transferred from one candidate committee to the same candidate's committee for a different office. ~~For these purposes,~~ The Executive Director shall assume the first contributions received were the first contributions spent.

(2) The Executive Director shall create a list of contributors, beginning with the most recent contributions to the candidate's committee and working backwards chronologically until the aggregate of those contributors' contributions equals the amount of funds and assets at their fair market value on hand. If a contributor does not grant permission to have his 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.

**E. 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 ~~in sufficient amounts~~ to pay the debt; ~~or~~ (b) by transferring ~~that the~~ debt to a new campaign for the same office; ~~or~~ (c) by obtaining agreement from the creditors to forgive the debt (such forgiveness is considered a contribution and contribution limits ~~do~~ apply); or (d) ~~the candidate may by the candidate~~ personally assume/assuming any campaign debt and report/reporting such assumption as a contribution to his or her campaign.

**F. 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 ~~the~~ 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.** ~~Treasurers and candidates need not submit to the City Clerk copies of receipts for reimbursement to individuals who have made expenditures on the campaign's behalf. Such receipts must be delivered by the individual being reimbursed at the time of the reimbursement and shall be maintained in the campaign files.~~ The following records

must be maintained in the campaign files: copies of checks deposited into the campaign account and 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, records of expenditures, including invoices and receipts, 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(F), 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 ~~(8)~~ days before the election: ~~campaign~~ bank account statements, ~~campaign~~ check registers, copies of or the hard copy equivalent of checks deposited into the ~~campaign~~ account and copies of checks withdrawing funds from the ~~campaign~~ account, copies of all ~~campaign~~ deposit slips and ~~campaign~~ 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 ~~the~~ electronic reports; ~~or~~ (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) During the eight (8) days preceding the election in which the candidate or the issue appears on the ballot, the campaign records, as described in Rule 2.6.7 below, must be on public display in a location designated on the C-1 report, pursuant to Rule 2.6.6 below, for two consecutive hours, between 8:00 AM and 8:00 PM, on the eighth day preceding the primary and general election, or on the seventh day preceding the election if the eighth day is a legal holiday. On any other every day from the seventh day before an election through the day immediately before an the election, other than Saturday, Sunday, or a legal holiday, the campaign records must be available at the designated place for inspections (1) by appointment, at the designated place for inspections, and (2) for two hours, between the hours of 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 twenty-four (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 ~~eight (8) days before the election shall be designated on the C-1~~ shall not be changed within four ~~(4)~~ weeks ~~of before~~ 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 in January of each~~ 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 ~~reports~~. 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 one of the following occurs:

(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.

When either (a) or (b) 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: ~~When~~ A candidate appeared on the primary election ballot, but the vote was ~~so~~ close ~~and that~~ a recount has been ordered, ~~t.~~ 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: ~~Where~~ A ballot issue committee submitted a facially sufficient number of signatures to the City, ~~t.~~ The signatures have not been certified, but could be certified in time for the ballot issue to be placed on the general election ballot, ~~t.~~ 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 12.1. 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 rule 12.1 and obtain from the potential or actual contributor a signed confirmation that such contributor is not a current or pending contractor as described in 12.1(A)(1). The elected official shall maintain signed copies of the confirmations with the Public Office Fund account records.~~

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

**D. 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 promote or oppose a candidate for public office, do not support or oppose a ballot issue in a manner not permitted by SMC 2.04.300, and are not made during the period beginning on January 1 of the year the official's name is on the ballot and ending on the date of the general

election in which the official's position is subject to election or, in the case of a special election, from the date a vacancy occurred until the date of the special election;

- (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.

**E. 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 12.2(f);
- (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.

**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) ~~, i.e. returned to contributors, donated to a charitable organization or transferred to the SEEC for deposit in the City general fund.~~

**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.

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~~2.2.3 Candidates May Not Contribute To Other Candidates. City office candidates and City elected officials may not establish a political committee to contribute funds to other candidates.~~

~~**2.3 CAMPAIGN TREASURER – DEPOSITORY – IDENTIFIED.** The form for reporting a candidate's campaign treasurer, campaign depository, and any deputy campaign treasurer, as well as any changes in these, as required by SMC 2.04.170, shall be PDC form C-~~

~~**2.4.1 Deposit of Contributions In Designated Account.** The treasurer or deputy treasurer shall prepare a PDC form C-3 report for the deposit of all monetary contributions received by a candidate, political committee, campaign treasurer or deputy campaign treasurer. See SMC 2.04.180. All contributions must be deposited within five (5) business days of receipt by the candidate or any member of the political committee. C-3 reports may be filed at the time of deposit. The treasurer or deputy treasurer who made the deposit must prepare and sign the report.~~

~~**2.5.1** PDC forms C-3, C-4, and Schedules A, B, and C are the forms a continuing political committee shall file. Committees must begin filing these reports when they expect to make a contribution to a City Office candidate or ballot issue. If the organization has cash on hand at the time the initial filing is due, then the committee must include in the report the initial receipt of the funds that were on hand at the time the initial filing was due, on a first-in, first-out basis. Continuing political committees must continue to file reports until the end of the cycle of the office sought by the candidate to whom they contributed, or until the committee's debts are paid, whichever occurs later. These reports are due on the tenth (10th) day of the month, unless the preceding month's total activity (contributions received and expenditures made) equals Two hundred Dollars (\$200) or less. If that is the case, a report of the accumulated information is due on the tenth (10th) day of the month following the month when aggregate campaign activity (contributions and expenditures) exceeds Two hundred Dollars (\$200). See SMC 2.04.230(B).~~

~~**2.5.2** The form for the filing of statements by "non-reporting committees," e.g., committees or organizations located in another state, as required by SMC 2.04.260 (A) (11), shall be PDC form C-5.~~

~~**2.6.1 A. Reporting Contributions.** PDC form C-3 is the form for reporting the names and addresses of all contributors and the amount of their contributions, including the aggregate donated by each such contributor during the current election cycle, as required by SMC 2.04.250. Contributions of Twenty-five Dollars (\$25) or less may be reported without identifying contributors. Treasurers must, however, maintain a list of the names and addresses of such contributors. When a contributor's aggregate contributions total more than Twenty-five Dollars (\$25), the contributor's name and address must be reported on the C-3 report. All contributors of more than One hundred Dollars (\$100), in one contribution or in the aggregate, must be reported by listing name, address, occupation, name and city and state of employer.~~

~~**2.6.2** Candidates may not use campaign funds to make contributions to other candidates or political committees.~~

~~**2.6.5** During the eight (8) days preceding the election in which the candidate or the issue appears on the ballot, the campaign records, as described in Rule 2.6.7 below, must be on public display in a location designated on the C-1 report, pursuant to Rule 2.6.6 below, for two consecutive hours, between 8:00 AM and 8:00 PM, on the eighth day preceding the primary and general election, or on the seventh day preceding the election if the eighth day is a legal holiday.~~

~~**2.7.1 Forms.** PDC forms C-3, C-4, and Schedules A, B, C and L-4 are the forms used by a treasurer or deputy treasurer each period to identify the funds on hand, the names and addresses of all contributors, the amounts of all the loans and contributions, and all expenditures. See SMC~~

~~2.04.260. The treasurer or deputy treasurer who prepares the C-3 and the treasurer who prepares the C-4, and Schedules A, B, C and L-4 reports, on the appropriate forms, must sign the report.~~

~~**2.7.8 Maintain Records.** Treasurers and candidates need not submit to the City Clerk copies of receipts for reimbursement to individuals who have made expenditures on the campaign's behalf. Such receipts must be delivered by the individual being reimbursed at the time of the reimbursement and shall be maintained in the campaign files.~~

~~**2.7.10 Petty Cash.** Each political committee may have one (1) petty cash fund. The fund may never exceed more than Two-hundred Dollars (\$200.00). Petty cash should not be used when a check can be conveniently written. The procedures for administering and reporting a petty cash fund are as follows:~~

~~PROCEDURE 1 - ESTABLISHING A FUND - The treasurer shall determine the amount needed for approximately one (1) month and write a check for the amount. This check shall be payable to the person who will be responsible for the petty cash fund. This person shall then deposit the check in his/her personal bank account and put the full amount of the cash into the petty cash box or envelope, which he/she shall administer. The treasurer shall not report this check setting up the petty cash fund as an expenditure on Schedule A. Instead, with the Schedule A that reports the expenditures for the period in which that check was written, the treasurer shall include a copy of the check and a signed statement from the person who will be responsible for the petty cash fund that he/she understands that before the end of the election cycle, he/she must deliver receipts for all expenses or cash in the full amount of the advance received.~~

~~PROCEDURE 2 - USE OF PETTY CASH - As small purchases are made, receipts for all purchases shall be placed in the petty cash fund records. The sum of cash and receipts must always equal the starting amount.~~

~~PROCEDURE 3 - REPLENISHING THE FUND - The person responsible for the petty cash fund shall deliver receipts from petty cash fund records to the treasurer. The treasurer shall then write a check for the amount of the receipts so delivered. This check will be payable to the person responsible for the fund. The person responsible for the fund shall then cash this check and place the cash into the petty cash box or envelope. The treasurer shall place the receipts in the campaign's records (not back in the petty cash box or envelope). The replenishment check shall be reported normally on Line 3 of a Schedule A. The description of this expenditure must be itemized, even if less than \$50. The description shall include "Replenishment of Petty Cash Fund".~~

~~PROCEDURE 4 - CLOSING OF FUND - The fund will first be replenished using Procedure 3 above. After the fund is replenished, the person responsible for the fund shall deposit the cash in to his/her personal bank account and write a personal check for the starting amount of the fund payable to the campaign. The treasurer shall deposit this check in the campaign bank account, but shall not report its deposit on a C-3. Instead, the treasurer shall deliver a statement from the person responsible for the fund that he/she has repaid the full starting amount of the petty cash advance. This statement shall be signed by the treasurer and the person responsible for the fund.~~

~~**2.8.1 PDC form C-6.** PDC form C-6 shall be the form for reporting independent campaign expenditures which by itself or when added to all other such independent campaign expenditures made during the same election campaign by the same person equals One-hundred Dollars (\$100) or more, as required by SMC 2.04.270.~~

~~**2.8.2 Expenditures by Others.** 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 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. Candidates and political committees shall instruct their vendors to report all expenditures made on their behalf to the candidate or committee, e.g. any payments made by a vendor to a subcontractor should be communicated to the campaign. See WAC 390-16-205 and SMC 2.04.290{~~

## ~~2.10 MINI CAMPAIGN REPORTING--~~

~~**2.10.1 Eligibility for Mini Campaign Reporting.** (1) If (a) a City office candidate reasonably expects that neither the aggregate contributions nor the aggregate expenditures will exceed Three Thousand Five Hundred Dollars (\$3,500) plus the amount of the candidate's filing fee provided by law and if no contribution or contributions from any source other than the candidate's personal resources within such aggregate will exceed Three Hundred Dollars (\$300) in the relevant election cycle, OR (b) a City ballot issue committee reasonably expects that neither the aggregate contributions nor the aggregate expenditures will exceed Three Thousand Five Hundred Dollars (\$3,500) and if no contribution or contributions from any source within such aggregate will exceed Three Hundred Dollars (\$300) in the relevant election cycle, AND if the City office candidate or the City ballot issue committee is in compliance with the other subparts of this rule 2.10, the City office candidate or the City ballot issue committee need not comply with the provisions of SMC 2.04.250 through SMC 2.04.275, except as otherwise prescribed in this rule 2.10.~~

~~(2) So long as a candidate or ballot issue committee meets all requirements in subsection 1 above, that candidate or committee shall not be required to designate a campaign depository bank account (WAC 390.16.105).~~

~~**2.10.2 Conditions for granting use.** The exemptions allowed in this rule 2.10 shall apply to a candidate or ballot issue committee only during compliance with the following conditions.~~

~~(1) The candidate or political committee must timely file the C-1 registration statement with the Public Disclosure Commission and the City Clerk. Non-candidate committees must also timely file the C-1pc registration statement with King County Records & Elections if they do not file electronically with the PDC. The statement shall declare that the candidate or ballot issue committee will exceed neither the contribution limit nor the expenditure limit set out in this rule 2.10. Candidates must also timely file the F-1 personal financial affairs statement with their C-1 registration statement.~~

~~(2) The candidate or ballot issue committee must, throughout the relevant period, keep current records in sufficient detail to allow the candidate or ballot issue committee to make reports otherwise required by SMC 2.04.250 through SMC 2.04.275 if the filing of such reports becomes necessary as a result of exceeding the contribution or expenditure limitation.~~

~~(3) The candidate or ballot issue committee treasurer shall, during the eight (8) days immediately preceding the date of the election, maintain records of contributions and expenditures current within one (1) business day. These records shall be open for public inspection during the hours designated on the registration statement at the principal campaign headquarters or, if there is no campaign headquarters, at the address of the campaign treasurer or such other place as may be authorized by the Executive Director.~~

~~**2.10.3 Times for filing reports C-1 and C-4 Reports.** City office candidates and ballot issue committees intending to use the mini reporting recognized and regulated by this rule shall timely file the C-1 and F-1 reports. City office candidates and ballot issue committees shall use the standard report Form C-4. The report Form C-4 filed by any candidate or ballot issue committee intending to use the mini reporting recognized and regulated by this rule shall be filed by each candidate and ballot issue committee on the tenth (10th) day of the month after all bills are paid and all campaign activity has ceased, but in no event will the final report be filed later than the tenth (10th) day of the third (3rd) month after the election in which the candidate or issue appeared on the ballot. This filing usually occurs one month after the candidate or issue appears on the ballot.~~

~~**2.10.4 Exceeding limitations.** (1) Whenever there is reason to believe that any of the aggregate limitations specified in this rule will or may be exceeded, or if such limitations are in fact exceeded, the candidate or committee must change reporting options by opening a separate campaign depository bank account, if one does not already exist, and filing a new C-1 and a C-4 for the period up to that date. The new C-1 and C-4 must be filed on or before the day on which any applicable limit established in subsection 2.10.1(1) of this rule is exceeded. Failure to timely file the new C-1 or C-4 will entitle the Executive Director to impose late filing penalties pursuant to SMC 2.04.330 for each day a report should have been filed but was not filed.~~

~~(2) When the new C-1 and C-4 reports are filed, the Executive Director shall investigate why the ordinary filing and depository requirements were not complied with in the first instance and whether or not the probability of exceeding the limitations in this rule 2.10 was reasonably foreseeable. If the investigation shows that the declaration by the candidate, committee, or other person filed under rule 2.10.2(1) was made in good faith and that the probability of exceeding such limitations was not reasonably foreseeable, the Executive Director will close the investigation but may reopen the investigation and reconsider the good faith finding if the candidate or ballot issue committee is not in full future compliance with all applicable requirements of chapter 2.04 SMC.~~

~~(3) Any person who knowingly or negligently causes or permits the limitations specified in these regulations to be exceeded without filing the reports required by SMC 2.04 or this rule shall be deemed to have violated the applicable reporting provisions of SMC 2.04.~~

~~**SMC 2.04.060 Executive Director – Duties.** The Executive Director of the Seattle Ethics and Elections Commission shall be responsible for the management of said office, may in the exercise of such duties consult with the Seattle Ethics and Elections Commission and in that connection is authorized to:~~

~~\_\_\_\_\_ A. Relieve, by published regulations of general applicability, candidates or political committees of obligations to comply with some or all the reporting provisions of this chapter relating to disclosure of campaign finances, if they have not received contributions nor made expenditures of more than Three Thousand Five Hundred Dollars (\$3,500) plus, in the case of candidates, the amount of the candidate's filing fee provided by law, in connection with any election campaign; and...~~

~~**WAC 390-16-105 Mini campaign reporting -- Eligibility.** (1) A candidate or candidate's authorized committee, as those terms are defined in RCW 42.17.020, shall not be required to comply with the provisions of RCW 42.17.060 through 42.17.090 except as otherwise prescribed in WAC 390-16-038, 390-16-115, and 390-16-125 when neither aggregate~~

~~contributions nor aggregate expenditures exceed the amount of the candidate's filing fee provided by law plus a sum not to exceed three thousand five hundred dollars and no contribution or contributions from any person other than the candidate within such aggregate exceed three hundred dollars. However, a bona fide political party may pay the candidate's filing fee provided by law without that payment disqualifying that candidate from eligibility under this section.~~

~~— (2) A political committee, as that term is defined in RCW 42.17.020, shall not be required to comply with the provisions of RCW 42.17.060 through 42.17.090 except as otherwise prescribed in WAC 390-16-038, 390-16-115, and 390-16-125 when neither aggregate contributions nor aggregate expenditures exceed three thousand five hundred dollars and no contribution or contributions from any person exceed three hundred dollars.~~

~~— (3) A continuing political committee, as that term is defined in RCW 42.17.020, shall not be required to comply with the provisions of RCW 42.17.060 through 42.17.090 except as otherwise prescribed in WAC 390-16-038, 390-16-115, and 390-16-125 when neither aggregate contributions nor aggregate expenditures during a calendar year exceed three thousand five hundred dollars and no contribution or contributions from any person exceed three hundred dollars.~~

~~[Statutory Authority: RCW 42.17.370(1). 02-03-018, § 390-16-105, filed 1/4/02, effective 2/4/02. Statutory Authority: RCW 42.17.370. 01-10-050, § 390-16-105, filed 4/26/01, effective 6/1/01. Statutory Authority: RCW 42.17.370(1). 86-04-071 (Order 86-01), § 390-16-105, filed 2/5/86; Order 91, § 390-16-105, filed 7/22/77; Order 62, § 390-16-105, filed 8/26/75.]~~

~~**7.1 Final Report Required.** All candidates and political committees must file final C-4 reports no later than May 10, for the period ending April 30, of the year after the candidate's name or the ballot issue appeared on the primary or general election ballot. For special elections, candidates and political committees (candidate and ballot issue) must file final reports no later than the tenth (10th) day of the sixth (6th) month after the special election in which the issue was decided.~~

~~**7.3 How to Dispose of Surplus Funds.** Pursuant to SMC 2.04.375, a candidate or political committee with surplus funds may dispose of those funds only in the following ways:~~

- ~~(a) return the surplus to contributors;~~
- ~~(b) transfer the surplus to the candidate's personal account as reimbursement for lost earnings, only if the candidate has documented the losses throughout the campaign;~~
- ~~(c) donate the surplus to a political party;~~
- ~~(d) donate the surplus to a charitable organization registered with the Secretary of State;~~
- ~~(e) donate the surplus to the state general fund; or~~
- ~~(f) transfer the surplus to a new campaign for the same candidate, same office.~~

~~**7.4 TRANSFERRING SURPLUS.** A candidate committee may transfer surplus funds to a new campaign for the same office and a ballot issue committee may transfer surplus funds to a continuing political committee by reporting this transfer as an expenditure on line 3 of the Schedule A report with the final C-4 report. Within two (2) weeks of such transfer the new campaign for the same office must file a C-1 report, a C-4 report describing receipt of the funds from the old campaign. Such funds may be transferred to the new campaign before the beginning of the election cycle for that new campaign.~~

~~**7.7 Transferring Debt and Expenditure Limits.** If expenditure limits are ever implemented, payment of a debt transferred from a previous campaign for the same office shall not count against the expenditure limit of the new campaign, but shall count against the expenditure limit of the old~~

campaign. Thus a candidate who incurred debt in a previous campaign is not penalized in a new campaign for the same office.

## **8. CIVIL ASSESSMENTS FOR LATE FILINGS**

**8.1. Late Filing Penalties.** The Executive Director of the Commission may levy civil assessments against candidates and political committees for reports that are late. The assessment for reports due within seven (7) days of an election will be a penalty of Fifty Dollars (\$50.00) a day for each day they are late up to and including election day and Ten Dollars (\$10.00) a day thereafter. The assessment for all other reports will be Ten Dollars (\$10.00) for each day they are late.

**8.3. Appeal of Late Filing Penalties.** A person may appeal the Executive Director's assessments to the Commission, under the following procedure:

- (a) Upon the written request of a party aggrieved by the Executive Director's decision to impose a penalty, the decision may be reviewed by the Commission.
- (b) Such a request for review shall be served at the office of the Commission no later than fourteen (14) days after the date of mailing the decision for which review is sought.
- (c) A request for review shall state the grounds therefor, and shall be no longer than twelve 8½" x 11" double-spaced pages in length with margins of at least 1" on every side, and no more than twelve characters per inch.
- (d) The Executive Director shall schedule a public hearing for the next practicable meeting. The Executive Director shall also determine a briefing schedule that will allow the appellant and the Executive Director to submit a written explanation of their positions at least sixteen (16) days before the public hearing. Each party shall also submit a written reply to the other's position statement. The written replies shall be submitted to the Commission at least nine (9) days before the hearing.
- (e) During the public hearing, held by the Commission, fifteen (15) minutes will be allotted for each side, including time to answer any questions posed by the Commission. The appellant may reserve some of his/her allotted time for rebuttal.
- (f) When a request for review is served, enforcement of the decision of which reconsideration is sought shall be stayed and the decision shall not be final until the Commission has acted on the request for review.
- (g) The Commission shall act on the request at the next meeting at which it may be practicable by:
  - (1) deciding whether to review the Executive Director's decision; and
  - (2) if it decides to do so, either affirming, reversing, or amending the decision.
- (h) In reviewing the Executive Director's decision, the Commission shall base its review on whether the Executive Director had a rational basis for the decision, and shall only reverse or amend a decision to the extent that such a rational basis is lacking.

**9.3 Permissible Campaign Expenditures.** Campaign funds may be used only to promote candidacy, i.e., to pay for items including, but not limited to: campaign literature, broadcast advertising, postage to mail campaign literature, newspaper and periodical advertising (including solicited newspaper ads to celebrate events in a campaign year, e.g., Happy New Year ad in Chinese Post in non-election years these may be paid from Office Funds), yard signs, billboards, buttons, stickers, fund-raisers, surveys and polls, campaign travel and respective accommodations and meals, campaign management services, campaign consultant services, campaign employees' compensation and benefits, campaign general operation and overhead, legal and accounting expenses to comply with government regulations. Campaign funds may be used for donations to charities doing business in the City when such donations would promote candidacy. Surplus campaign funds may be donated to any charity registered with the Secretary of State.

~~**10.1 Sponsor ID language.** Sponsor identification shall begin with the words “paid for by” or “sponsored by,” except that advertising paid for by an independent expenditure shall begin with “NOTICE TO VOTERS (Required by law): This advertisement is not authorized or approved by any (candidate or ballot proposition committee, as appropriate). It is paid for by (name, street address, city, state)”. Sponsor identification on an in-kind contribution shall state “sponsored by” and the name and street address of the candidate or committee that benefits from and reports the in-kind contribution. Sponsor identification on political advertising paid for by the candidate or political committee that benefits shall state “paid for by” and the name and street address of the candidate or committee. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.~~

~~**12.4.1 File with City Clerk.** All Public Office Fund Reports shall be filed with the Seattle City Clerk.~~

~~**12.4.2 Statement of Organization.** The institution of a Public Office Fund shall be reported on a form provided by the SEEC, within two (2) weeks of establishing such fund. The name of the reporting entity shall be "Office Fund of," followed by the name of the elected official organizing the office fund, e.g. "Office Fund of John Doe". This name shall be used on all forms wherever a "committee name" is required.~~

~~**12.4.3 Separate Bank Account.** The reporting elected official shall establish a bank account exclusively for Public Office Fund contributions. This account shall be separate from his or her personal account and separate from his or her political campaign account and from any account containing surplus campaign funds. See RCW 42.17.095(7).~~

~~**12.4.5 File Monthly Reports.** An elected official who has a Public Office Fund must file a C-4 report on the tenth (10th) day of each month after any transaction (received a contribution or made an expenditure) involving the Fund.~~

~~**12.4.6 Report Expenditure Detail.** Public Office Fund expenditures shall be reported with the C-4 on a form A provided by the SEEC. All expenditures of more than Fifty Dollars (\$50) shall be itemized and the report shall include a brief description of the purpose.~~

~~**12.4.7 Report Contribution Detail with Annual Aggregate.** All contributions to Public Office Funds shall be reported on C-3 forms. The aggregate total for each contributor shall be the total for the calendar year in which the contributions were received. C-3 forms may be filed with the C-4 they support.~~

~~**12.4.8 Dates During Which Office Fund Contributions Permitted.** Only elected officials may accept contributions to Public Office Funds. Therefore, contributions to a Public Office Fund may not be accepted on or before the date of the election in which the candidate is elected and they may not be accepted after the last day of the elected official's term of office.~~

### ~~**13. COMPLAINT PROCEDURES**~~

~~**13.1 File Complaints with Executive Director.** Complaints of violations of SMC 2.04 may be filed with the Executive Director under the following procedures:~~

- ~~(a) A complaint alleging violation of Seattle Municipal Code Chapter 2.04 may be brought to the attention of the Commission by any person. Complaints shall be made to the Executive Director. A complaint shall be in writing and signed, and shall include a sworn statement by the complainant.~~
- ~~(b) A complaint shall state the basic facts surrounding the alleged violation, including nature of the alleged violation(s), date, time, and place, of the alleged violation(s), name of the person or~~

~~persons responsible, and any documentation or other evidence the respondent can produce regarding the violation.~~

~~(c) All complaints filed with the Executive Director shall be considered part of the Executive Director's investigative record, and shall not be subject to public disclosure under RCW 42.17, unless the complaint is used as evidence in a proceeding before the Commission or in a prosecution in a court of law.~~

~~(d) When the Executive Director receives a written request to disclose a complaint, the Executive Director shall notify the complainant of the request so that the complainant may take necessary action to protect his or her right to privacy.~~

~~**13.2 Preliminary Investigation of Complaints.** Upon receiving a complaint, the Executive Director shall initiate a preliminary investigation. The preliminary investigation shall be limited to the Executive Director determining if the complaint on its face, i.e. assuming all facts are true, shows reason to believe SMC Chapter 2.04 has been violated.~~

~~**13.3 Dismissal.** If the Executive Director determines that a complaint does not on its face present a violation of SMC 2.04, or presents a violation of SMC 2.04, but the violation was inadvertent and minor, the Executive Director shall dismiss the complaint by a letter to the complainant stating the reasons for dismissal. The Executive Director shall send a copy of the dismissal letter to the respondent.~~

~~**13.4 Appeal of Executive Director Dismissal Decisions.** A complainant may appeal the Executive Director's decision to dismiss the complaint in the same manner as required in 8.3 above.~~

~~**14. ENFORCEMENT.** Enforcement proceedings shall be conducted according to the procedures in the most current revision of the SEEC Administrative Rules.~~

~~**15. DISCLOSURE BY CANDIDATES FOR MUNICIPAL COURT JUDGE.** Although SMC 2.04 does not apply to candidates for Municipal Court Judge, the Commission encourages such candidates to voluntarily file with the City Clerk copies of all disclosure forms they are required to file with the PDC pursuant to RCW 42.17.~~