

# Memo

To: Seattle Ethics and Elections Commission

From: Wayne Barnett

Date: March 29, 2023

Re: Thresholds

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## Question Presented

Should the Commission increase Seattle's campaign contribution reporting thresholds?

## Short Answer

Yes, the reporting thresholds should be updated to mirror the changes to State thresholds.

## Background

The Public Disclosure Commission administers the State Campaign Contribution Code. Every candidate for State, County, or Municipal Office in Washington State—including Seattle candidates—is subject to State law.

Candidates seeking election to Seattle City office are also subject to Seattle's elections code. Seattle's law generally aligns with State law, but our contribution limits are notably lower and state law allows for such lower limits. (Without Seattle's elections code, the contribution limit for a candidate who participated in the general election would be \$2400, not \$600.) Seattle's Elections Code also enables the City to have its own enforcement mechanisms behind it.

Effective this month, the Public Disclosure Commission has adjusted many of the monetary thresholds in State law. Many of these thresholds were in effect for more than 20 years. So, too, have most of Seattle's reporting thresholds and limits been unchanged for decades.

(Contribution limits are an exception. They have changed many times in recent years.)

SMC 2.04.090.F says that “[t]he Commission shall review and may revise, at least once every five years but no more often than every two years, the monetary reporting thresholds and reporting code values of this Chapter 2.04. The Commission shall only revise the monetary reporting thresholds and reporting code values for the purpose of recognizing economic changes and *changes to analogous state law reporting requirements*. Revisions shall be adopted as rules under Chapter 3.02.” (Emphasis added.)

## Discussion

Campaign disclosure serves two primary purposes. First, it provides valuable information to the voting public. Second, it aids in the detection of wrongdoing.

Currently, campaigns are required to provide an address for every contributor who gives more than \$25, and an occupation and employer for every contributor who gives more than \$100. The state has just changed those two thresholds to \$100 and \$250, respectively.

If the Commission desires to maintain the current thresholds, I recommend a clear articulation by the Commission of the public interest served by requiring that information at those thresholds.

The Commission has successfully used reported employer and occupation to identify wrongdoing just once in the last twenty years, and it involved contributions at the contribution limit, \$700 at the time. As for the public interest in the addresses of everyone who contributes more than \$25, and the occupation and employer of everyone who contributes more than \$100, I will leave that to the Commission to evaluate.

If the Commission desires to change the thresholds, we can prepare a revised rule for your consideration at the next meeting. The Commission may do so to “recognize...changes to analogous state law reporting requirements.” Economic changes would also provide a basis for a revised rule.

One closing thought: If the Commission changes the threshold for reporting contributors' addresses, it will have no effect on the requirement that every Democracy Voucher be linked to a specific person in Seattle. That is an anti-fraud measure, tied to the expenditure of public dollars, not a campaign disclosure requirement.