

Washington State Public Disclosure Commission

Interpretation No. 17-01

Commission Guidance Regarding The Seattle Democracy Voucher Program

https://www.pdc.wa.gov/sites/default/files/PDCInterpretation_17-01_DemocracyVouchers_23Feb2017.pdf/

PDC Interpretations are advisory in nature and are issued in accordance with [RCW 34.05.230](#).

Purpose:

This Interpretation is issued in response to the Seattle Ethics and Elections Commission request for the Public Disclosure Commission to provide guidance to the City of Seattle and those participating in the City's Democracy Voucher Program as to whether the "bundling" provisions set forth in Seattle Municipal Code 2.04.620(d) are in conflict with RCW 42.17A.470, Washington State's law governing campaign finance and disclosure law.

Effective Date: February 23, 2017

Seattle Democracy Voucher Program involves campaign contributions, expenditures and disclosure, and is therefore subject to RCW 42.17A.470, Washington State's law governing campaign finance and disclosure.

Seattle Democracy Vouchers. A Democracy Voucher is a campaign contribution and as such is subject to RCW 42.17A. As a contribution, all statutes, rules and guidance that apply to contributions apply equally to Democracy Vouchers.

Information regarding all contributions, including Democracy Vouchers:

Reporting. Candidates who receive voucher proceeds must report them as contributions received from the individual assigning the voucher.

Limitations. A voucher contribution is included in the aggregate total of allowable contributions.

Bundling. Bundling is the process in which campaign contributions are collected from donors by a third party, and provided in bulk to a campaign. Under RCW 42.17A.470, bundling, acting as an intermediary or agent, is allowed only by individuals. A candidate's representative is a person who is registered with the SEEC for the purpose of receiving vouchers on behalf of the candidate. SMC 2.04.620(d). Assuming that a

candidate’s representative is an individual and not an organization, RCW 42.17A.470 would allow a candidate’s representative to collect and transmit vouchers.

Organizations, organized as either a non-profit or a for-profit, may not bundle contributions, or act as an intermediary or agent to transmit vouchers. Nor may an organization provide a means to transmit (e.g. a drop box) vouchers to a candidate or to the SEEC.

Organizations may encourage or solicit their members to send their members’ vouchers to a specific candidate so long as the organization does not take possession of the voucher. For example, an organization may send an e-mail to its members requesting them to donate their vouchers to a specific candidate. Organizations should check with the IRS or other experts to determine whether such actions present an issue with their tax exempt status.

If a candidate’s representative is either paid by or volunteering for an organization at the time they collect a voucher, he or she must be acting in his or her own capacity as an individual and not as a representative of an organization. Under RCW 42.17A, an individual may act as an intermediary even though he or she is not registered with the SEEC. For example:

	Paid/employed by an organization	Volunteers for an organization
Cannot Collect Vouchers	<p>Person cannot collect vouchers during paid work hours for an organization.</p> <p>A person cannot collect vouchers at any time if the person is doing so <u>on behalf of the organization</u>.</p>	<p>Person cannot collect vouchers when he or she is volunteering for an organization.</p> <p>A person cannot collect vouchers at any time if the person is doing so <u>on behalf of the organization</u></p>
Can Collect Vouchers	<p>During non-work times (e.g., evenings, weekends), a person, who at other times is paid by an organization, may collect vouchers. In other words, a person could engage in voucher collection during their personal time if they are not being paid by an organization,</p>	<p>During non-volunteer times, a person, who at other times volunteers for an organization, may collect vouchers. In other words, a person could engage in voucher collection during their personal time if they are not volunteering for an organization,</p>

	and they are not acting on behalf of the organization.	and they are not acting on behalf of the organization.
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Soliciting Contributions from Public Employees. State and local elected officials in the official’s agency may not knowingly request, directly or indirectly, public employees to assign their voucher to a candidate or to bundle, collect, or otherwise act as an intermediary or agent for public employees in the official’s agency pursuant to RCW 42.17A.565.

Use of Public Office or Agency. Under RCW 42.17A.555, elected and appointed officials as well as public employees are prohibited from using or authorizing the use of any facilities of a public office or agency, directly or indirectly, to assist a candidate in soliciting, obtaining or requesting the assignment of a voucher.

Specific questions regarding Seattle’s Democracy Voucher program should be directed to the SEEC.

Adopted by the Commission: February 23, 2017

Cite as PDC Interpretation No. 17-01

Reference:

- RCW 42.17A.005 (13)
- RCW 42.17A.005 (27)
- RCW 42.17A.005 (35)
- RCW 42.17A.470
- RCW 42.17A.555
- RCW42.17A.565