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SENATE BILL 6098

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Billig, Roach, Hasegawa, Benton, Rolfes, Kohl-Welles, Frockt, and Fraser

Read first time 01/15/14. Referred to Committee on Governmental Operations.

1 AN ACT Relating to increasing transparency of campaign  
2 contributions; amending RCW 42.17A.125, 42.17A.205, 42.17A.235,  
3 42.17A.240, 42.17A.250, and 42.17A.300; reenacting and amending RCW  
4 42.17A.005 and 42.17A.220; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that the public has  
7 the right to know who is contributing to election campaigns in  
8 Washington state and that campaign finance disclosure deters  
9 corruption, increases public confidence in Washington state elections,  
10 and strengthens our representative democracy.

11 The legislature finds that campaign finance disclosure is  
12 overwhelmingly supported by the citizens of Washington state as  
13 evidenced by the two initiatives that largely established Washington's  
14 current campaign finance system. Both passed with over seventy-two  
15 percent of the popular vote, as well as winning margins in every county  
16 in the state.

17 The legislature finds that nonprofit organizations are increasingly  
18 engaging in campaign activities in Washington state and across the  
19 country, including taking a more active role in contributing to

1 candidate and ballot proposition campaigns. In some cases, these  
2 activities are occurring without adequate public disclosure due to  
3 loopholes in campaign finance regulations.

4 Therefore, the legislature intends to increase transparency and  
5 accountability, deter corruption, and strengthen confidence in the  
6 election process by closing campaign finance disclosure loopholes and  
7 requiring the disclosure of contributions and expenditures by nonprofit  
8 organizations that participate significantly in Washington state  
9 elections.

10 **Sec. 2.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are  
11 each reenacted and amended to read as follows:

12 The definitions in this section apply throughout this chapter  
13 unless the context clearly requires otherwise.

14 (1) "Actual malice" means to act with knowledge of falsity or with  
15 reckless disregard as to truth or falsity.

16 (2) "Agency" includes all state agencies and all local agencies.  
17 "State agency" includes every state office, department, division,  
18 bureau, board, commission, or other state agency. "Local agency"  
19 includes every county, city, town, municipal corporation, quasi-  
20 municipal corporation, or special purpose district, or any office,  
21 department, division, bureau, board, commission, or agency thereof, or  
22 other local public agency.

23 (3) "Authorized committee" means the political committee authorized  
24 by a candidate, or by the public official against whom recall charges  
25 have been filed, to accept contributions or make expenditures on behalf  
26 of the candidate or public official.

27 (4) "Ballot proposition" means any "measure" as defined by RCW  
28 29A.04.091, or any initiative, recall, or referendum proposition  
29 proposed to be submitted to the voters of the state or any municipal  
30 corporation, political subdivision, or other voting constituency from  
31 and after the time when the proposition has been initially filed with  
32 the appropriate election officer of that constituency before its  
33 circulation for signatures.

34 (5) "Benefit" means a commercial, proprietary, financial, economic,  
35 or monetary advantage, or the avoidance of a commercial, proprietary,  
36 financial, economic, or monetary disadvantage.

37 (6) "Bona fide political party" means:

- 1 (a) An organization that has been recognized as a minor political  
2 party by the secretary of state;
- 3 (b) The governing body of the state organization of a major  
4 political party, as defined in RCW 29A.04.086, that is the body  
5 authorized by the charter or bylaws of the party to exercise authority  
6 on behalf of the state party; or
- 7 (c) The county central committee or legislative district committee  
8 of a major political party. There may be only one legislative district  
9 committee for each party in each legislative district.
- 10 (7) "Candidate" means any individual who seeks nomination for  
11 election or election to public office. An individual seeks nomination  
12 or election when he or she first:
- 13 (a) Receives contributions or makes expenditures or reserves space  
14 or facilities with intent to promote his or her candidacy for office;
- 15 (b) Announces publicly or files for office;
- 16 (c) Purchases commercial advertising space or broadcast time to  
17 promote his or her candidacy; or
- 18 (d) Gives his or her consent to another person to take on behalf of  
19 the individual any of the actions in (a) or (c) of this subsection.
- 20 (8) "Caucus political committee" means a political committee  
21 organized and maintained by the members of a major political party in  
22 the state senate or state house of representatives.
- 23 (9) "Commercial advertiser" means any person who sells the service  
24 of communicating messages or producing printed material for broadcast  
25 or distribution to the general public or segments of the general public  
26 whether through the use of newspapers, magazines, television and radio  
27 stations, billboard companies, direct mail advertising companies,  
28 printing companies, or otherwise.
- 29 (10) "Commission" means the agency established under RCW  
30 42.17A.100.
- 31 (11) "Compensation" unless the context requires a narrower meaning,  
32 includes payment in any form for real or personal property or services  
33 of any kind. For the purpose of compliance with RCW 42.17A.710,  
34 "compensation" does not include per diem allowances or other payments  
35 made by a governmental entity to reimburse a public official for  
36 expenses incurred while the official is engaged in the official  
37 business of the governmental entity.

1 (12) "Continuing political committee" means a political committee  
2 that is an organization of continuing existence not established in  
3 anticipation of any particular election campaign.

4 (13)(a) "Contribution" includes:

5 (i) A loan, gift, deposit, subscription, forgiveness of  
6 indebtedness, donation, advance, pledge, payment, transfer of funds  
7 between political committees, or anything of value, including personal  
8 and professional services for less than full consideration;

9 (ii) An expenditure made by a person in cooperation, consultation,  
10 or concert with, or at the request or suggestion of, a candidate, a  
11 political committee, the person or persons named on the candidate's or  
12 committee's registration form who direct expenditures on behalf of the  
13 candidate or committee, or their agents;

14 (iii) The financing by a person of the dissemination, distribution,  
15 or republication, in whole or in part, of broadcast, written, graphic,  
16 or other form of political advertising or electioneering communication  
17 prepared by a candidate, a political committee, or its authorized  
18 agent;

19 (iv) Sums paid for tickets to fund-raising events such as dinners  
20 and parties, except for the actual cost of the consumables furnished at  
21 the event.

22 (b) "Contribution" does not include:

23 (i) Standard interest on money deposited in a political committee's  
24 account;

25 (ii) Ordinary home hospitality;

26 (iii) A contribution received by a candidate or political committee  
27 that is returned to the contributor within five business days of the  
28 date on which it is received by the candidate or political committee;

29 (iv) A news item, feature, commentary, or editorial in a regularly  
30 scheduled news medium that is of primary interest to the general  
31 public, that is in a news medium controlled by a person whose business  
32 is that news medium, and that is not controlled by a candidate or a  
33 political committee;

34 (v) An internal political communication primarily limited to the  
35 members of or contributors to a political party organization or  
36 political committee, or to the officers, management staff, or  
37 stockholders of a corporation or similar enterprise, or to the members  
38 of a labor organization or other membership organization;

1 (vi) The rendering of personal services of the sort commonly  
2 performed by volunteer campaign workers, or incidental expenses  
3 personally incurred by volunteer campaign workers not in excess of  
4 fifty dollars personally paid for by the worker. "Volunteer services,"  
5 for the purposes of this subsection, means services or labor for which  
6 the individual is not compensated by any person;

7 (vii) Messages in the form of reader boards, banners, or yard or  
8 window signs displayed on a person's own property or property occupied  
9 by a person. However, a facility used for such political advertising  
10 for which a rental charge is normally made must be reported as an in-  
11 kind contribution and counts towards any applicable contribution limit  
12 of the person providing the facility;

13 (viii) Legal or accounting services rendered to or on behalf of:

14 (A) A political party or caucus political committee if the person  
15 paying for the services is the regular employer of the person rendering  
16 such services; or

17 (B) A candidate or an authorized committee if the person paying for  
18 the services is the regular employer of the individual rendering the  
19 services and if the services are solely for the purpose of ensuring  
20 compliance with state election or public disclosure laws; or

21 (ix) The performance of ministerial functions by a person on behalf  
22 of two or more candidates or political committees either as volunteer  
23 services defined in (b)(vi) of this subsection or for payment by the  
24 candidate or political committee for whom the services are performed as  
25 long as:

26 (A) The person performs solely ministerial functions;

27 (B) A person who is paid by two or more candidates or political  
28 committees is identified by the candidates and political committees on  
29 whose behalf services are performed as part of their respective  
30 statements of organization under RCW 42.17A.205; and

31 (C) The person does not disclose, except as required by law, any  
32 information regarding a candidate's or committee's plans, projects,  
33 activities, or needs, or regarding a candidate's or committee's  
34 contributions or expenditures that is not already publicly available  
35 from campaign reports filed with the commission, or otherwise engage in  
36 activity that constitutes a contribution under (a)(ii) of this  
37 subsection.

1 A person who performs ministerial functions under this subsection  
2 (13)(b)(ix) is not considered an agent of the candidate or committee as  
3 long as he or she has no authority to authorize expenditures or make  
4 decisions on behalf of the candidate or committee.

5 (c) Contributions other than money or its equivalent are deemed to  
6 have a monetary value equivalent to the fair market value of the  
7 contribution. Services or property or rights furnished at less than  
8 their fair market value for the purpose of assisting any candidate or  
9 political committee are deemed a contribution. Such a contribution  
10 must be reported as an in-kind contribution at its fair market value  
11 and counts towards any applicable contribution limit of the provider.

12 (14) "Depository" means a bank, mutual savings bank, savings and  
13 loan association, or credit union doing business in this state.

14 (15) "Elected official" means any person elected at a general or  
15 special election to any public office, and any person appointed to fill  
16 a vacancy in any such office.

17 (16) "Election" includes any primary, general, or special election  
18 for public office and any election in which a ballot proposition is  
19 submitted to the voters. An election in which the qualifications for  
20 voting include other than those requirements set forth in Article VI,  
21 section 1 (Amendment 63) of the Constitution of the state of Washington  
22 (~~shall~~) is not (~~be~~) considered an election for purposes of this  
23 chapter.

24 (17) "Election campaign" means any campaign in support of or in  
25 opposition to a candidate for election to public office and any  
26 campaign in support of, or in opposition to, a ballot proposition.

27 (18) "Election cycle" means the period beginning on the first day  
28 of January after the date of the last previous general election for the  
29 office that the candidate seeks and ending on December 31st after the  
30 next election for the office. In the case of a special election to  
31 fill a vacancy in an office, "election cycle" means the period  
32 beginning on the day the vacancy occurs and ending on December 31st  
33 after the special election.

34 (19)(a) "Electioneering communication" means any broadcast, cable,  
35 or satellite television or radio transmission, United States postal  
36 service mailing, billboard, newspaper, or periodical that:

37 (i) Clearly identifies a candidate for a state, local, or judicial

1 office or a ballot proposition either by specifically naming the  
2 candidate or ballot proposition, or identifying the candidate without  
3 using the candidate's name;

4 (ii) Is broadcast, transmitted, mailed, erected, distributed, or  
5 otherwise published within (~~sixty~~) ninety days before any election  
6 for that office in the jurisdiction in which the candidate is seeking  
7 election, during the period between the primary and general elections  
8 for that office in the jurisdiction in which the candidate is seeking  
9 election, or ninety days before the election in which the ballot  
10 proposition will appear on the ballot; and

11 (iii) Either alone, or in combination with one or more  
12 communications identifying the candidate or ballot proposition by the  
13 same sponsor during the (~~sixty~~) ninety days before an election or, if  
14 the communications refer to a candidate, during the ninety days before  
15 an election period between the primary and general elections, has a  
16 fair market value of one thousand dollars or more.

17 (b) "Electioneering communication" does not include:

18 (i) Usual and customary advertising of a business owned by a  
19 candidate, even if the candidate is mentioned in the advertising when  
20 the candidate has been regularly mentioned in that advertising  
21 appearing at least twelve months preceding his or her becoming a  
22 candidate;

23 (ii) Advertising for candidate debates or forums when the  
24 advertising is paid for by or on behalf of the debate or forum sponsor,  
25 so long as two or more candidates for the same position have been  
26 invited to participate in the debate or forum;

27 (iii) A news item, feature, commentary, or editorial in a regularly  
28 scheduled news medium that is:

29 (A) Of primary interest to the general public;

30 (B) In a news medium controlled by a person whose business is that  
31 news medium; and

32 (C) Not a medium controlled by a candidate or a political  
33 committee;

34 (iv) Slate cards and sample ballots;

35 (v) Advertising for books, films, dissertations, or similar works  
36 (A) written by a candidate when the candidate entered into a contract  
37 for such publications or media at least twelve months before becoming  
38 a candidate, or (B) written about a candidate;

1 (vi) Public service announcements;

2 (vii) A mailed internal political communication primarily limited  
3 to the members of or contributors to a political party organization or  
4 political committee, or to the officers, management staff, or  
5 stockholders of a corporation or similar enterprise, or to the members  
6 of a labor organization or other membership organization;

7 (viii) An expenditure by or contribution to the authorized  
8 committee of a candidate for state, local, or judicial office; or

9 (ix) Any other communication exempted by the commission through  
10 rule consistent with the intent of this chapter.

11 (20) "Expenditure" includes a payment, contribution, subscription,  
12 distribution, loan, advance, deposit, or gift of money or anything of  
13 value, and includes a contract, promise, or agreement, whether or not  
14 legally enforceable, to make an expenditure. "Expenditure" also  
15 includes a promise to pay, a payment, or a transfer of anything of  
16 value in exchange for goods, services, property, facilities, or  
17 anything of value for the purpose of assisting, benefiting, or honoring  
18 any public official or candidate, or assisting in furthering or  
19 opposing any election campaign. For the purposes of this chapter,  
20 agreements to make expenditures, contracts, and promises to pay may be  
21 reported as estimated obligations until actual payment is made.  
22 "Expenditure" (~~shall~~) does not include the partial or complete  
23 repayment by a candidate or political committee of the principal of a  
24 loan, the receipt of which loan has been properly reported.

25 (21) "Final report" means the report described as a final report in  
26 RCW 42.17A.235(2).

27 (22) "General election" for the purposes of RCW 42.17A.405 means  
28 the election that results in the election of a person to a state or  
29 local office. It does not include a primary.

30 (23) "Gift" has the definition in RCW 42.52.010.

31 (24) "Immediate family" includes the spouse or domestic partner,  
32 dependent children, and other dependent relatives, if living in the  
33 household. For the purposes of the definition of "intermediary" in  
34 this section, "immediate family" means an individual's spouse or  
35 domestic partner, and child, stepchild, grandchild, parent, stepparent,  
36 grandparent, brother, half brother, sister, or half sister of the  
37 individual and the spouse or the domestic partner of any such person  
38 and a child, stepchild, grandchild, parent, stepparent, grandparent,

1 brother, half brother, sister, or half sister of the individual's  
2 spouse or domestic partner and the spouse or the domestic partner of  
3 any such person.

4 (25)(a) "Incidental committee" means a person, except a candidate  
5 or an individual dealing with his or her own funds or property, not  
6 otherwise classified as a political committee but that may incidentally  
7 become a political committee by making a contribution or an expenditure  
8 in support of, or opposition to, any candidate or any ballot  
9 proposition in Washington, directly or through another political  
10 committee.

11 (b) "Incidental committee" may include, but is not limited to, any  
12 organization under section 501(c) or 527 of the internal revenue code  
13 of 1986, or any subsequent corresponding internal revenue code of the  
14 United States, as amended from time to time.

15 (26) "Incumbent" means a person who is in present possession of an  
16 elected office.

17 ~~((+26+))~~ (27) "Independent expenditure" means an expenditure that  
18 has each of the following elements:

19 (a) It is made in support of or in opposition to a candidate for  
20 office by a person who is not (i) a candidate for that office, (ii) an  
21 authorized committee of that candidate for that office, (iii) a person  
22 who has received the candidate's encouragement or approval to make the  
23 expenditure, if the expenditure pays in whole or in part for political  
24 advertising supporting that candidate or promoting the defeat of any  
25 other candidate or candidates for that office, or (iv) a person with  
26 whom the candidate has collaborated for the purpose of making the  
27 expenditure, if the expenditure pays in whole or in part for political  
28 advertising supporting that candidate or promoting the defeat of any  
29 other candidate or candidates for that office;

30 (b) The expenditure pays in whole or in part for political  
31 advertising that either specifically names the candidate supported or  
32 opposed, or clearly and beyond any doubt identifies the candidate  
33 without using the candidate's name; and

34 (c) The expenditure, alone or in conjunction with another  
35 expenditure or other expenditures of the same person in support of or  
36 opposition to that candidate, has a value of eight hundred dollars or  
37 more. A series of expenditures, each of which is under eight hundred

1 dollars, constitutes one independent expenditure if their cumulative  
2 value is eight hundred dollars or more.

3 ~~((+27))~~ (28)(a) "Intermediary" means an individual who transmits  
4 a contribution to a candidate or committee from another person unless  
5 the contribution is from the individual's employer, immediate family,  
6 or an association to which the individual belongs.

7 (b) A treasurer or a candidate is not an intermediary for purposes  
8 of the committee that the treasurer or candidate serves.

9 (c) A professional fund-raiser is not an intermediary if the fund-  
10 raiser is compensated for fund-raising services at the usual and  
11 customary rate.

12 (d) A volunteer hosting a fund-raising event at the individual's  
13 home is not an intermediary for purposes of that event.

14 ~~((+28))~~ (29) "Legislation" means bills, resolutions, motions,  
15 amendments, nominations, and other matters pending or proposed in  
16 either house of the state legislature, and includes any other matter  
17 that may be the subject of action by either house or any committee of  
18 the legislature and all bills and resolutions that, having passed both  
19 houses, are pending approval by the governor.

20 ~~((+29))~~ (30) "Legislative office" means the office of a member of  
21 the state house of representatives or the office of a member of the  
22 state senate.

23 ~~((+30))~~ (31) "Lobby" and "lobbying" each mean attempting to  
24 influence the passage or defeat of any legislation by the legislature  
25 of the state of Washington, or the adoption or rejection of any rule,  
26 standard, rate, or other legislative enactment of any state agency  
27 under the state administrative procedure act, chapter 34.05 RCW.  
28 Neither "lobby" nor "lobbying" includes an association's or other  
29 organization's act of communicating with the members of that  
30 association or organization.

31 ~~((+31))~~ (32) "Lobbyist" includes any person who lobbies either in  
32 his or her own or another's behalf.

33 ~~((+32))~~ (33) "Lobbyist's employer" means the person or persons by  
34 whom a lobbyist is employed and all persons by whom he or she is  
35 compensated for acting as a lobbyist.

36 ~~((+33))~~ (34) "Ministerial functions" means an act or duty carried  
37 out as part of the duties of an administrative office without exercise  
38 of personal judgment or discretion.

1       (~~(+34+)~~) (35) "Participate" means that, with respect to a  
2 particular election, an entity:

3       (a) Makes either a monetary or in-kind contribution to a candidate;

4       (b) Makes an independent expenditure or electioneering  
5 communication in support of or opposition to a candidate;

6       (c) Endorses a candidate before contributions are made by a  
7 subsidiary corporation or local unit with respect to that candidate or  
8 that candidate's opponent;

9       (d) Makes a recommendation regarding whether a candidate should be  
10 supported or opposed before a contribution is made by a subsidiary  
11 corporation or local unit with respect to that candidate or that  
12 candidate's opponent; or

13       (e) Directly or indirectly collaborates or consults with a  
14 subsidiary corporation or local unit on matters relating to the support  
15 of or opposition to a candidate, including, but not limited to, the  
16 amount of a contribution, when a contribution should be given, and what  
17 assistance, services or independent expenditures, or electioneering  
18 communications, if any, will be made or should be made in support of or  
19 opposition to a candidate.

20       (~~(+35+)~~) (36) "Person" includes an individual, partnership, joint  
21 venture, public or private corporation, association, federal, state, or  
22 local governmental entity or agency however constituted, candidate,  
23 committee, political committee, political party, executive committee  
24 thereof, or any other organization or group of persons, however  
25 organized.

26       (~~(+36+)~~) (37) "Political advertising" includes any advertising  
27 displays, newspaper ads, billboards, signs, brochures, articles,  
28 tabloids, flyers, letters, radio or television presentations, or other  
29 means of mass communication, used for the purpose of appealing,  
30 directly or indirectly, for votes or for financial or other support or  
31 opposition in any election campaign.

32       (~~(+37+)~~) (38) "Political committee" means any person (except a  
33 candidate or an individual dealing with his or her own funds or  
34 property), organized or located inside or outside the state, having the  
35 expectation of receiving contributions or making expenditures in  
36 support of, or opposition to, any candidate or any ballot proposition  
37 in Washington. "Political committee" includes incidental committees as  
38 defined in this section.

1        ~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means  
2 the procedure for nominating a candidate to state or local office under  
3 chapter 29A.52 RCW or any other primary for an election that uses, in  
4 large measure, the procedures established in chapter 29A.52 RCW.

5        ~~((39))~~ (40) "Public office" means any federal, state, judicial,  
6 county, city, town, school district, port district, special district,  
7 or other state political subdivision elective office.

8        ~~((40))~~ (41) "Public record" has the definition in RCW 42.56.010.

9        ~~((41))~~ (42) "Recall campaign" means the period of time beginning  
10 on the date of the filing of recall charges under RCW 29A.56.120 and  
11 ending thirty days after the recall election.

12        ~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering  
13 communications, independent expenditures, or political advertising  
14 means the person paying for the electioneering communication,  
15 independent expenditure, or political advertising. If a person acts as  
16 an agent for another or is reimbursed by another for the payment, the  
17 original source of the payment is the sponsor.

18        (b) "Sponsor," for purposes of a political committee, means any  
19 person, except an authorized committee, to whom any of the following  
20 applies:

21        (i) The committee receives eighty percent or more of its  
22 contributions either from the person or from the person's members,  
23 officers, employees, or shareholders;

24        (ii) The person collects contributions for the committee by use of  
25 payroll deductions or dues from its members, officers, or employees.

26        ~~((43))~~ (44) "Sponsored committee" means a committee, other than  
27 an authorized committee, that has one or more sponsors.

28        ~~((44))~~ (45) "State office" means state legislative office or the  
29 office of governor, lieutenant governor, secretary of state, attorney  
30 general, commissioner of public lands, insurance commissioner,  
31 superintendent of public instruction, state auditor, or state  
32 treasurer.

33        ~~((45))~~ (46) "State official" means a person who holds a state  
34 office.

35        ~~((46))~~ (47) "Surplus funds" mean, in the case of a political  
36 committee or candidate, the balance of contributions that remain in the  
37 possession or control of that committee or candidate subsequent to the  
38 election for which the contributions were received, and that are in

1 excess of the amount necessary to pay remaining debts incurred by the  
2 committee or candidate with respect to that election. In the case of  
3 a continuing political committee, "surplus funds" mean those  
4 contributions remaining in the possession or control of the committee  
5 that are in excess of the amount necessary to pay all remaining debts  
6 when it makes its final report under RCW 42.17A.255.

7 ~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the  
8 individuals appointed by a candidate or political committee, pursuant  
9 to RCW 42.17A.210, to perform the duties specified in that section.

10 **Sec. 3.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to read  
11 as follows:

12 (1) At the beginning of each even-numbered calendar year, the  
13 commission shall increase or decrease the dollar amounts in RCW  
14 42.17A.005~~((26))~~ (27), 42.17A.405, 42.17A.410, 42.17A.445(3),  
15 42.17A.475, and 42.17A.630(1) based on changes in economic conditions  
16 as reflected in the inflationary index recommended by the office of  
17 financial management. The new dollar amounts established by the  
18 commission under this section (~~shall~~) must be rounded off to amounts  
19 as judged most convenient for public understanding and so as to be  
20 within ten percent of the target amount equal to the base amount  
21 provided in this chapter multiplied by the increase in the inflationary  
22 index since July 2008.

23 (2) The commission may revise, at least once every five years but  
24 no more often than every two years, the monetary reporting thresholds  
25 and reporting code values of this chapter. The revisions (~~shall~~)  
26 must be only for the purpose of recognizing economic changes as  
27 reflected by an inflationary index recommended by the office of  
28 financial management. The revisions (~~shall~~) must be guided by the  
29 change in the index for the period commencing with the month of  
30 December preceding the last revision and concluding with the month of  
31 December preceding the month the revision is adopted. As to each of  
32 the three general categories of this chapter, reports of campaign  
33 finance, reports of lobbyist activity, and reports of the financial  
34 affairs of elected and appointed officials, the revisions shall equally  
35 affect all thresholds within each category. The revisions authorized  
36 by this subsection (~~shall~~) must reflect economic changes from the

1 time of the last legislative enactment affecting the respective code or  
2 threshold.

3 (3) Revisions made in accordance with subsections (1) and (2) of  
4 this section (~~shall~~) must be adopted as rules under chapter 34.05  
5 RCW.

6 **Sec. 4.** RCW 42.17A.205 and 2011 c 145 s 3 are each amended to read  
7 as follows:

8 (1)(a) Every political committee except for incidental committees  
9 shall file a statement of organization with the commission. The  
10 statement must be filed within two weeks after organization or within  
11 two weeks after the date the committee first has the expectation of  
12 receiving contributions or making expenditures in any election  
13 campaign, whichever is earlier.

14 (b) A political committee other than an incidental committee  
15 organized within the last three weeks before an election and having the  
16 expectation of receiving contributions or making expenditures during  
17 and for that election campaign shall file a statement of organization  
18 within three business days after its organization or when it first has  
19 the expectation of receiving contributions or making expenditures in  
20 the election campaign.

21 (2)(a) An incidental committee must file a statement of  
22 organization with the commission within two weeks after the effective  
23 date of this section or two weeks after the date the committee first  
24 has the expectation of receiving contributions or making expenditures  
25 of at least the following amounts: One hundred thousand dollars in an  
26 election campaign for statewide office or a statewide ballot  
27 proposition in Washington or twenty thousand dollars in any other  
28 election campaign in Washington.

29 (b) If, in the last three weeks before an election, an incidental  
30 committee first has the expectation of receiving contributions or  
31 making expenditures of the amounts specified in (a) of this subsection  
32 or greater, then it must file a statement of organization within three  
33 business days.

34 (c) An incidental committee that does not receive contributions or  
35 make expenditures in the amounts specified in (a) of this subsection is  
36 not required to file a statement of organization with the commission.

1        (3) The statement of organization shall include but not be limited  
2 to:

3        (a) The name and address of the committee;

4        (b) The names and addresses of all related or affiliated committees  
5 or other persons, and the nature of the relationship or affiliation;

6        (c) The names, addresses, and titles of its officers; or if it has  
7 no officers, the names, addresses, and titles of its responsible  
8 leaders;

9        (d) The name and address of its treasurer and depository;

10       (e) A statement whether the committee is a continuing one;

11       (f) The name, office sought, and party affiliation of each  
12 candidate whom the committee is supporting or opposing, and, if the  
13 committee is supporting the entire ticket of any party, the name of the  
14 party;

15       (g) The ballot proposition concerned, if any, and whether the  
16 committee is in favor of or opposed to such proposition;

17       (h) What distribution of surplus funds will be made, in accordance  
18 with RCW 42.17A.430, in the event of dissolution;

19       (i) The street address of the place and the hours during which the  
20 committee will make available for public inspection its books of  
21 account and all reports filed in accordance with RCW 42.17A.235;

22       (j) Such other information as the commission may by regulation  
23 prescribe, in keeping with the policies and purposes of this chapter;

24       (k) The name, address, and title of any person who authorizes  
25 expenditures or makes decisions on behalf of the candidate or  
26 committee; and

27       (l) The name, address, and title of any person who is paid by or is  
28 a volunteer for a candidate or political committee to perform  
29 ministerial functions and who performs ministerial functions on behalf  
30 of two or more candidates or committees.

31       ~~((+3))~~ (4) No two political committees may have the same name.

32       ~~((+4))~~ (5) Any material change in information previously submitted  
33 in a statement of organization shall be reported to the commission  
34 within the ten days following the change.

35       ~~((+5))~~ (6) As used in this section, the "name" of a sponsored  
36 committee must include the name of the person that is the sponsor of  
37 the committee. If more than one person meets the definition of  
38 sponsor, the name of the committee must include the name of at least

1 one sponsor, but may include the names of other sponsors. A person may  
2 sponsor only one political committee for the same elected office or  
3 same ballot measure per election cycle.

4 **Sec. 5.** RCW 42.17A.220 and 2010 c 205 s 3 and 2010 c 204 s 405 are  
5 each reenacted and amended to read as follows:

6 (1) All monetary contributions received by a candidate or political  
7 committee (~~shall~~) must be deposited by the treasurer or deputy  
8 treasurer in a depository in an account established and designated for  
9 that purpose. Such deposits (~~shall~~) must be made within five  
10 business days of receipt of the contribution.

11 (2) Political committees that support or oppose more than one  
12 candidate or ballot proposition, or exist for more than one purpose,  
13 may maintain multiple separate bank accounts within the same designated  
14 depository for such purpose only if:

15 (a) Each such account bears the same name;

16 (b) Each such account is followed by an appropriate designation  
17 that accurately identifies its separate purpose; and

18 (c) Transfers of funds that must be reported under RCW  
19 42.17A.240(~~(1)(e)~~) (5) are not made from more than one such account.

20 (3) Incidental committees may maintain separate bank accounts  
21 within the same depository for contributions to the committee that are  
22 designated by the contributor as not to be used in support of or  
23 opposition to a candidate or ballot proposition so that those  
24 contributions do not need to be reported to the commission under RCW  
25 42.17A.240(2)(d).

26 (4) Nothing in this section prohibits a candidate or political  
27 committee from investing funds on hand in a depository in bonds,  
28 certificates, or tax-exempt securities, or in savings accounts or other  
29 similar instruments in financial institutions, or in mutual funds other  
30 than the depository but only if:

31 (a) The commission (~~are~~~~is~~) is notified in writing of the  
32 initiation and the termination of the investment; and

33 (b) The principal of such investment, when terminated together with  
34 all interest, dividends, and income derived from the investment, is  
35 deposited in the depository in the account from which the investment  
36 was made and properly reported to the commission before any further  
37 disposition or expenditure.

1           (~~(4)~~) (5) Accumulated unidentified contributions, other than  
2 those made by persons whose names must be maintained on a separate and  
3 private list by a political committee's treasurer pursuant to RCW  
4 42.17A.240(~~(1)(b)~~) (2), in excess of one percent of the total  
5 accumulated contributions received in the current calendar year, or  
6 three hundred dollars, whichever is more, may not be deposited, used,  
7 or expended, but (~~shall~~) must be returned to the donor if his or her  
8 identity can be ascertained. If the donor cannot be ascertained, the  
9 contribution (~~shall~~) escheats to the state and (~~shall~~) must be paid  
10 to the state treasurer for deposit in the state general fund.

11           **Sec. 6.** RCW 42.17A.235 and 2011 c 60 s 23 are each amended to read  
12 as follows:

13           (1) In addition to the information required under RCW 42.17A.205  
14 and 42.17A.210, on the day the treasurer is designated, each candidate  
15 or political committee must file with the commission a report of all  
16 contributions received and expenditures made prior to that date, if  
17 any.

18           (2) Each treasurer of a political committee or incidental committee  
19 required to file a statement of organization under RCW 42.17A.205 shall  
20 file with the commission a report containing the information required  
21 by RCW 42.17A.240 at the following intervals:

22           (a) On the twenty-first day and the seventh day immediately  
23 preceding the date on which the election is held;

24           (b) On the tenth day of the first month after the election; and

25           (c) On the tenth day of each month in which no other reports are  
26 required to be filed under this section only if the committee has  
27 received a contribution or made an expenditure in the preceding  
28 calendar month and either the total contributions received or total  
29 expenditures made since the last such report exceed two hundred  
30 dollars.

31           The report filed twenty-one days before the election shall report  
32 all contributions received and expenditures made as of the end of one  
33 business day before the date of the report. The report filed seven  
34 days before the election shall report all contributions received and  
35 expenditures made as of the end of one business day before the date of  
36 the report. Reports filed on the tenth day of the month shall report

1 all contributions received and expenditures made from the closing date  
2 of the last report filed through the last day of the month preceding  
3 the date of the current report.

4 (3) For the period beginning the first day of the fourth month  
5 preceding the date of the special election, or for the period beginning  
6 the first day of the fifth month before the date of the general  
7 election, and ending on the date of that special or general election,  
8 each Monday the treasurer shall file with the commission a report of  
9 each bank deposit made during the previous seven calendar days. The  
10 report shall contain the name of each person contributing the funds and  
11 the amount contributed by each person. However, persons who contribute  
12 no more than twenty-five dollars in the aggregate are not required to  
13 be identified in the report. A copy of the report shall be retained by  
14 the treasurer for his or her records. In the event of deposits made by  
15 a deputy treasurer, the copy shall be forwarded to the treasurer for  
16 his or her records. Each report shall be certified as correct by the  
17 treasurer or deputy treasurer making the deposit.

18 (4) The treasurer or candidate shall maintain books of account  
19 accurately reflecting all contributions and expenditures on a current  
20 basis within five business days of receipt or expenditure. During the  
21 eight days immediately preceding the date of the election the books of  
22 account shall be kept current within one business day. As specified in  
23 the committee's statement of organization filed under RCW 42.17A.205,  
24 the books of account must be open for public inspection by appointment  
25 at the designated place for inspections between 8:00 a.m. and 8:00 p.m.  
26 on any day from the eighth day immediately before the election through  
27 the day immediately before the election, other than Saturday, Sunday,  
28 or a legal holiday. It is a violation of this chapter for a candidate  
29 or political committee to refuse to allow and keep an appointment for  
30 an inspection to be conducted during these authorized times and days.  
31 The appointment must be allowed at an authorized time and day for such  
32 inspections that is within twenty-four hours of the time and day that  
33 is requested for the inspection.

34 (5) Copies of all reports filed pursuant to this section shall be  
35 readily available for public inspection by appointment, pursuant to  
36 subsection (4) of this section, at the principal headquarters or, if  
37 there is no headquarters, at the address of the treasurer or such other  
38 place as may be authorized by the commission.

1 (6) The treasurer or candidate shall preserve books of account,  
2 bills, receipts, and all other financial records of the campaign or  
3 political committee for not less than five calendar years following the  
4 year during which the transaction occurred.

5 (7) All reports filed pursuant to subsection (1) or (2) of this  
6 section shall be certified as correct by the candidate and the  
7 treasurer.

8 (8) When there is no outstanding debt or obligation, the campaign  
9 fund is closed, and the campaign is concluded in all respects or in the  
10 case of a political committee, the committee has ceased to function and  
11 has dissolved, the treasurer shall file a final report. Upon  
12 submitting a final report, the duties of the treasurer shall cease and  
13 there is no obligation to make any further reports.

14 (9) By December 31, 2014, the commission shall adopt rules for the  
15 dissolution of incidental committees.

16 **Sec. 7.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to  
17 read as follows:

18 Each report required under RCW 42.17A.235 (1) and (2) must be  
19 certified as correct by the treasurer and the candidate and shall  
20 disclose the following:

21 (1) The funds on hand at the beginning of the period;

22 (2) The name and address of each person who has made one or more  
23 contributions during the period, together with the money value and date  
24 of each contribution and the aggregate value of all contributions  
25 received from each person during the campaign, or in the case of a  
26 continuing political committee, the current calendar year, with the  
27 following exceptions:

28 (a) Pledges in the aggregate of less than one hundred dollars from  
29 any one person need not be reported;

30 (b) Income that results from a fund-raising activity conducted in  
31 accordance with RCW 42.17A.230 may be reported as one lump sum, with  
32 the exception of that portion received from persons whose names and  
33 addresses are required to be included in the report required by RCW  
34 42.17A.230;

35 (c) Contributions of no more than twenty-five dollars in the  
36 aggregate from any one person during the election campaign may be

1 reported as one lump sum if the treasurer maintains a separate and  
2 private list of the name, address, and amount of each such contributor;  
3 ((and))

4 (d) Contributions to an incidental committee that satisfy all of  
5 the following requirements need not be reported:

6 (i) The contribution is designated by the contributor as not to be  
7 used for campaign purposes;

8 (ii) The contribution is maintained in a separate bank account from  
9 any accounts used to receive contributions or make expenditures in  
10 support of or opposition to a candidate or ballot proposition; and

11 (iii) The contribution is not commingled with any bank accounts  
12 used to receive contributions or make expenditures in support of or  
13 opposition to a candidate or ballot proposition;

14 (e) The commission may suspend or modify reporting requirements for  
15 contributions to an incidental committee in cases of manifestly  
16 unreasonable hardship under RCW 42.17A.120; and

17 (f) The money value of contributions of postage ((shall be)) is the  
18 face value of the postage;

19 (3) Each loan, promissory note, or security instrument to be used  
20 by or for the benefit of the candidate or political committee made by  
21 any person, including the names and addresses of the lender and each  
22 person liable directly, indirectly or contingently and the date and  
23 amount of each such loan, promissory note, or security instrument;

24 (4) All other contributions not otherwise listed or exempted;

25 (5) The name and address of each candidate or political committee  
26 to which any transfer of funds was made, including the amounts and  
27 dates of the transfers;

28 (6) The name and address of each person to whom an expenditure was  
29 made in the aggregate amount of more than fifty dollars during the  
30 period covered by this report, the amount, date, and purpose of each  
31 expenditure, and the total sum of all expenditures;

32 (7) The name and address of each person directly compensated for  
33 soliciting or procuring signatures on an initiative or referendum  
34 petition, the amount of the compensation to each person, and the total  
35 expenditures made for this purpose. Such expenditures ((shall)) must  
36 be reported under this subsection in addition to what is required to be  
37 reported under subsection (6) of this section;

1 (8) The name and address of any person and the amount owed for any  
2 debt, obligation, note, unpaid loan, or other liability in the amount  
3 of more than two hundred fifty dollars or in the amount of more than  
4 fifty dollars that has been outstanding for over thirty days;

5 (9) The surplus or deficit of contributions over expenditures;

6 (10) The disposition made in accordance with RCW 42.17A.430 of any  
7 surplus funds; and

8 (11) Any other information required by the commission by rule in  
9 conformance with the policies and purposes of this chapter.

10 **Sec. 8.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to  
11 read as follows:

12 ~~((1) An out-of-state))~~ A political committee ~~((organized for the~~  
13 ~~purpose of supporting or opposing candidates or ballot propositions in~~  
14 ~~another state that is not otherwise required to report under RCW~~  
15 ~~42.17A.205 through 42.17A.240 shall report as required in this section~~  
16 ~~when it makes an expenditure supporting or opposing a Washington state~~  
17 ~~candidate or political committee. The committee shall file with the~~  
18 ~~commission a statement disclosing:~~

19 ~~(a) Its name and address;~~

20 ~~(b) The purposes of the out-of-state committee;~~

21 ~~(c) The names, addresses, and titles of its officers or, if it has~~  
22 ~~no officers, the names, addresses, and the titles of its responsible~~  
23 ~~leaders;~~

24 ~~(d) The name, office sought, and party affiliation of each~~  
25 ~~candidate in the state of Washington whom the out-of-state committee is~~  
26 ~~supporting or opposing and, if the committee is supporting or opposing~~  
27 ~~the entire ticket of any party, the name of the party;~~

28 ~~(e) The ballot proposition supported or opposed in the state of~~  
29 ~~Washington, if any, and whether the committee is in favor of or opposed~~  
30 ~~to that proposition;~~

31 ~~(f) The name and address of each person residing in the state of~~  
32 ~~Washington or corporation that has a place of business in the state of~~  
33 ~~Washington who has made one or more contributions in the aggregate of~~  
34 ~~more than twenty five dollars to the out-of-state committee during the~~  
35 ~~current calendar year, together with the money value and date of the~~  
36 ~~contributions;~~

1       ~~(g) The name, address, and employer of each person or corporation~~  
2 ~~residing outside the state of Washington who has made one or more~~  
3 ~~contributions in the aggregate of more than two thousand five hundred~~  
4 ~~fifty dollars to the out-of-state committee during the current calendar~~  
5 ~~year, together with the money value and date of the contributions.~~  
6 ~~Annually, the commission must modify the two thousand five hundred~~  
7 ~~fifty dollar limit in this subsection based on percentage change in the~~  
8 ~~implicit price deflator for personal consumption expenditures for the~~  
9 ~~United States as published for the most recent twelve-month period by~~  
10 ~~the bureau of economic analysis of the federal department of commerce;~~

11       ~~(h) The name and address of each person in the state of Washington~~  
12 ~~to whom an expenditure was made by the out-of-state committee with~~  
13 ~~respect to a candidate or political committee in the aggregate amount~~  
14 ~~of more than fifty dollars, the amount, date, and purpose of the~~  
15 ~~expenditure, and the total sum of the expenditures; and~~

16       ~~(i) Any other information as the commission may prescribe by rule~~  
17 ~~in keeping with the policies and purposes of this chapter.~~

18       ~~(2) Each statement shall be filed no later than the tenth day of~~  
19 ~~the month following any month in which a contribution or other~~  
20 ~~expenditure reportable under subsection (1) of this section is made.~~  
21 ~~An out-of-state committee incurring an obligation to file additional~~  
22 ~~statements in a calendar year may satisfy the obligation by timely~~  
23 ~~filing reports that supplement previously filed information)) or~~  
24 ~~incidental committee organized outside the state of Washington is~~  
25 ~~subject to the same requirements under this chapter as a political~~  
26 ~~committee or incidental committee organized in the state of Washington.~~

27       **Sec. 9.** RCW 42.17A.300 and 2010 c 204 s 501 are each amended to  
28 read as follows:

29       (1) The legislature finds that:

30       (a) Timely disclosure to voters of the identity and sources of  
31 funding for electioneering communications is vitally important to the  
32 integrity of ((state, local, and judicial)) elections.

33       (b) Electioneering communications that identify political  
34 candidates for state, local, or judicial office or ballot propositions,  
35 and that are distributed ((sixty)) ninety days before an election ((for  
36 those offices)) or, in candidate elections, in the ninety days before

1 an election or the period between the primary and general elections are  
2 intended to influence voters and the outcome of those elections.

3 (c) The state has a compelling interest in providing voters  
4 information about electioneering communications in political campaigns  
5 (~~concerning candidates for state, local, or judicial office~~) so that  
6 voters can be fully informed as to the: (i) Source of support or  
7 opposition to those candidates or propositions; and (ii) identity of  
8 persons attempting to influence the outcome of (~~state, local, and~~  
9 ~~judicial candidate~~) elections.

10 (d) Nondisclosure of financial information about advertising that  
11 masquerades as relating only to issues and not to candidate campaigns  
12 fosters corruption or the appearance of corruption. These consequences  
13 can be substantially avoided by full disclosure of the identity and  
14 funding of those persons paying for such advertising.

15 (e) The United States supreme court held in *McConnell et al. v.*  
16 *Federal Elections Commission*, 540 U.S. 93, 124 S.Ct. 619, 157 L.Ed.2d  
17 491 (2003) that speakers seeking to influence elections do not possess  
18 an inviolable free speech right to engage in electioneering  
19 communications regarding elections, including when issue advocacy is  
20 the functional equivalent of express advocacy. Therefore, such  
21 election campaign communications can be regulated and the source of  
22 funding disclosed.

23 (f) The state has a sufficiently compelling interest in preventing  
24 corruption in political campaigns to justify and restore contribution  
25 limits and restrictions on the use of soft money in RCW 42.17A.405.  
26 Those interests include restoring restrictions on the use of such funds  
27 for electioneering communications, as well as the laws preventing  
28 circumvention of those limits and restrictions.

29 (2) Based upon the findings in this section, chapter 445, Laws of  
30 2005 is narrowly tailored to accomplish the following and is intended  
31 to:

32 (a) Improve the disclosure to voters of information concerning  
33 persons and entities seeking to influence state, local, and judicial  
34 campaigns through reasonable and effective mechanisms, including  
35 improving disclosure of the source, identity, and funding of  
36 electioneering communications concerning state, local, and judicial  
37 candidate campaigns;

1 (b) Regulate electioneering communications that mention state,  
2 local, and judicial candidates and that are broadcast, mailed, erected,  
3 distributed, or otherwise published right before the election so that  
4 the public knows who is paying for such communications;

5 (c) Reenact and amend the contribution limits in RCW 42.17A.405 (7)  
6 and (15) and the restrictions on the use of soft money, including as  
7 applied to electioneering communications, as those limits and  
8 restrictions were in effect following the passage of chapter 2, Laws of  
9 1993 (Initiative Measure No. 134) and before the state supreme court  
10 decision in *Washington State Republican Party v. Washington State*  
11 *Public Disclosure Commission*, 141 Wn.2d 245, 4 P.3d 808 (2000). The  
12 commission is authorized to fully restore the implementation of the  
13 limits and restrictions of RCW 42.17A.405 (7) and (15) in light of  
14 *McConnell et al. v. Federal Elections Commission*, 540 U.S. 93, 124  
15 S.Ct. 619, 157 L.Ed.2d 491 (2003). The United States supreme court  
16 upheld the disclosure and regulation of electioneering communications  
17 in political campaigns, including but not limited to issue advocacy  
18 that is the functional equivalent of express advocacy; and

19 (d) Authorize the commission to adopt rules to implement chapter  
20 445, Laws of 2005.

21 NEW SECTION. **Sec. 10.** If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

--- END ---