
ENGROSSED SUBSTITUTE HOUSE BILL 1434

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on State Government (originally sponsored by Representatives Hine, Miller, Anderson, McLean, R. King, R. Meyers, Scott, R. Fisher, Cooper, Appelwick, Rasmussen, Dorn, Valle, R. Johnson, Prentice, Cantwell, Cole, Jones, Pruitt, Fraser, Winsley, Sheldon, H. Myers, Riley, Orr, Roland, O'Brien, Ogden, Braddock, Phillips, Nelson, G. Fisher, Wineberry, Haugen, Spanel, Leonard, Sprenkle and Dellwo).

Read first time March 4, 1991.

1 AN ACT Relating to campaign financing; amending RCW 29.15.050,
2 29.18.050, 42.17.095, 42.17.105, 42.17.390, and 43.03.028; adding a new
3 section to chapter 34.05 RCW; adding a new chapter to Title 42 RCW;
4 adding new sections as a new subchapter in chapter 42.17 RCW; adding
5 new sections to chapter 42.17 RCW; adding a new section to chapter
6 29.80 RCW; adding a new section to chapter 44.04 RCW; creating new
7 sections; prescribing penalties; providing an effective date; and
8 providing an expiration date.

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

10 NEW SECTION. **Sec. 1.** INTENT. The legislature finds and declares
11 that:

12 (1) The integrity of the electoral process is essential to the
13 preservation of a free and democratic society. The central element of
14 this process is the unfettered exchange of ideas between citizens and
15 candidates for public office.

1 (2) In recent years, the cost of conducting a campaign for state
2 office has become alarmingly and unacceptably high.

3 (3) The pressure on candidates to raise and spend large sums of
4 money has created a political climate where the financial strength of
5 an individual or special interest group may permit it to exercise a
6 potentially corrupting influence on the electoral process.

7 (4) The public perception of such corruption and the potential for
8 actual corruption undermines the credibility and integrity of our
9 public officials and candidates for public office, and thus undermines
10 the public's faith that they are being fairly and honestly represented.

11 (5) It is incumbent upon the legislature to address the increasing
12 role of money in political campaigns and to ensure the preservation of
13 an electoral process where each vote carries equal weight and every
14 candidate can be heard.

15 For these reasons, the legislature enacts this law to govern the
16 financing of election campaigns for state office.

17 CAMPAIGN EXPENDITURE LIMITATIONS AND MATCHING FUNDS

18 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions under RCW
19 42.17.020 apply to sections 2 through 24 of this act except as modified
20 by this section. Unless the context clearly requires otherwise, the
21 definitions in this section apply throughout sections 2 through 24 of
22 this act:

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

27 (2) "Board" or "election board" means the state election board
28 created by this chapter.

1 (3) "Bona fide political party" means an organization which has
2 filed a valid certificate of nomination with the secretary of state
3 under chapter 29.24 RCW or the governing body of the state organization
4 of a major political party, as defined in RCW 29.01.090, which shall be
5 the body authorized by the charter or bylaws of the party to exercise
6 authority on behalf of the state party.

7 (4) "Candidate" means an individual seeking nomination for election
8 or seeking election to a state office. Such an individual shall be
9 deemed to be seeking nomination for election or seeking election when
10 the individual first:

11 (a) Announces publicly or files for the office;

12 (b) Receives contributions or makes expenditures or reserves space
13 or facilities with intent to promote his or her candidacy for the
14 office; or

15 (c) Gives his or her consent to another person to take on behalf of
16 the individual any of the actions in (b) of this subsection.

17 (5) "Caucus of the state legislature" means the caucus of the
18 members of a major political party in the state house of
19 representatives or in the state senate.

20 (6) "Election cycle" means the period beginning on the first day of
21 December following the date of the last previous general election for
22 the office which the candidate seeks and ending on November thirtieth
23 following the next election for the office. In the case of a special
24 election to fill a vacancy in an office, "election cycle" means the
25 period beginning on the day the vacancy occurs and ending on November
26 thirtieth following the special election.

27 (7) "Eligible candidate" means a candidate for a state office who
28 is eligible under sections 3 and 7 of this act to receive payments
29 under this chapter.

1 (8) "General election" means the election which directly results in
2 the election of a person to a state office. It does not include a
3 primary.

4 (9) "Immediate family" means a candidate's spouse, and any child,
5 stepchild, grandchild, parent, stepparent, grandparent, brother, half-
6 brother, sister, or half-sister of the candidate and the spouse of any
7 such person and any child, stepchild, grandchild, parent, stepparent,
8 grandparent, brother, half-brother, sister, or half-sister of the
9 candidate's spouse and the spouse of any such person.

10 (10) "Independent expenditure" means an "expenditure" as defined in
11 RCW 42.17.020 which has each of the following elements:

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

23 (b) The expenditure pays in whole or in part for any political
24 advertising which either specifically names the candidate supported or
25 opposed, or clearly and beyond any doubt identifies such candidate
26 without using the candidate's name; and

27 (c) The expenditure, alone or in conjunction with another
28 expenditure or other expenditures of the same person in support of or
29 opposition to that candidate, has a value of five hundred dollars or
30 more. A sequence of expenditures each of which is under five hundred

1 dollars shall constitute one independent expenditure as of the time
2 that the last expenditure brings the total value of the sequence to
3 five hundred dollars or more, and no expenditure in the sequence which
4 has been reported to the board under section 12 of this act shall be
5 considered as part of any future independent expenditure.

6 (11) "Major party" means a major political party as defined in RCW
7 29.01.090.

8 (12) "Minor party" means a minor political party as defined in RCW
9 29.01.100.

10 (13) "Multicandidate political committee" means a political
11 committee which, during a period of three calendar years: Receives
12 contributions of twenty-five dollars or more from each of twenty-five
13 or more persons; and makes contributions of at least twenty-five
14 dollars to each of five or more candidates or to the authorized
15 committees of five or more candidates. "Multicandidate political
16 committee" does not mean a candidate or the authorized committee of a
17 candidate.

18 (14) "Primary" means the procedure for nominating a candidate to
19 state office under chapter 29.18 or 29.21 RCW or any other primary for
20 an election which uses, in large measure, the procedures established in
21 chapter 29.18 or 29.21 RCW.

22 (15) "Recall campaign" means the period of time beginning on the
23 date of the filing of recall charges pursuant to RCW 29.82.015 and
24 ending thirty days after the recall election.

25 (16) "State campaign account" or "account" means the state election
26 campaign account established in section 16 of this act.

27 (17) "State legislative office" means the office of a member of the
28 state house of representatives and the office of a member of the state
29 senate.

1 (18) "State office" means the office of a member of the state
2 legislature or of any elective state executive officer.

3 (19) "State official" means a person who holds a state office.

4 NEW SECTION. **Sec. 3.** ELIGIBILITY FOR PAYMENTS--EXPENDITURE LIMIT
5 AGREEMENT--THRESHOLD AMOUNTS--USE OF LOGO. (1) To be eligible to
6 receive payments under this chapter a candidate shall:

7 (a) Identify the office sought by the candidate; and

8 (b) Agree in writing that the candidate and the authorized
9 committee of the candidate:

10 (i) Will fully comply with the fair campaign practices code adopted
11 by the public disclosure commission as it now exists or is hereafter
12 amended;

13 (ii) Have not made and will not make expenditures during the
14 election cycle which exceed any expenditure limitation applicable to
15 the candidate under section 4 of this act for the office sought by the
16 candidate;

17 (iii) Will deposit all payments received under section 9 of this
18 act in a separate checking account which shall contain only funds so
19 received, and will make no expenditures of funds received under this
20 section except by checks drawn on that account. The account shall be
21 in a financial institution located in this state whose deposits are
22 insured by the federal deposit insurance corporation, federal savings
23 and loan insurance corporation, or national credit union
24 administration;

25 (iv) Will furnish to the election board campaign records, evidence
26 of contributions, and other appropriate information as may be required
27 by the board; and

28 (v) Will cooperate in the case of any audit and examination by or
29 for the board under section 17 of this act.

1 (2) The agreement required by subsection (1) of this section must
2 be filed with the election board by the third business day after the
3 candidate has first received during the election cycle contributions,
4 less loan repayments, in an aggregate amount of:

5 (a) For a candidate for the office of governor, twenty-five
6 thousand dollars;

7 (b) For a candidate for state executive office other than the
8 office of governor, seven thousand five hundred dollars; and

9 (c) For a candidate for state legislative office, two thousand five
10 hundred dollars.

11 Such aggregate contributions include both those which satisfy and
12 those which do not satisfy the provisions of section 10 of this act.

13 (3) The provisions of this section shall not be construed as
14 preventing a candidate from filing a statement of intent with the board
15 at any time. Such a statement shall include a promise signed by the
16 candidate that the candidate has not and will not exceed the
17 expenditure limitation applicable to the candidate under section 4 of
18 this act.

19 (4) Nothing in this chapter requires any candidate to apply for or
20 accept public funding under section 9 or 11 of this act.

21 (5) A candidate for state office who enters and abides by an
22 agreement under subsection (1) of this section is entitled to display
23 the following good campaign practices seal in the political advertising
24 and communications of the candidate during the election cycle to which
25 the agreement applies:

26

27 NEW SECTION. **Sec. 4.** EXPENDITURE LIMITS FOR CANDIDATES UNDER
28 AGREEMENT. (1) Except as provided in subsection (4) of this section,

1 the expenditure limit for the election cycle for a candidate for state
2 office who agrees to the limitations established in this chapter is the
3 greater of: (a) The base amount established for the office sought
4 under subsection (2) of this section; or (b) the base amount plus the
5 amount applicable to the candidate under subsection (3) of this section
6 regarding independent expenditures.

7 (2) The base amount referred to in subsection (1) of this section
8 is:

9 (a) For the office of governor, two million two hundred thousand
10 dollars;

11 (b) For state executive office other than the office of governor,
12 eight hundred thousand dollars; and

13 (c) For the office of a member of the state legislature, fifty-five
14 thousand dollars.

15 (3) If, during the twelve months preceding the election in which
16 the candidate is seeking office, independent expenditures by any person
17 or persons are made in opposition to the candidate or for any other
18 candidate for the office sought by the candidate, the expenditure
19 limitation applicable to the candidate (not the other candidate) during
20 the election cycle shall be increased by an amount equal to the amount
21 of the independent expenditures under the following circumstances:

22 (a) The candidate is a candidate for state executive office and the
23 aggregate of such independent expenditures exceeds an amount equal to
24 five percent of the base amount established in subsection (2) of this
25 section for the office sought; or

26 (b) The candidate is a candidate for state legislative office and
27 the aggregate of such independent expenditures exceeds an amount equal
28 to ten percent of the base amount established in subsection (2) of this
29 section for the office sought.

1 (4) A candidate for an office is not subject to an expenditure
2 limitation under this chapter, if during the election cycle another
3 candidate for that office:

4 (a) Enters an expenditure limitation and eligibility agreement
5 under section 3 of this act for an election cycle but expends during
6 the election cycle more than the expenditure limit applicable to that
7 other candidate; or

8 (b)(i) Receives contributions, less any loan repayments,
9 aggregating more than the amount listed in section 3(2) of this act for
10 that office; and

11 (ii) Has not filed with the board the expenditure limitation and
12 eligibility agreement under section 3 of this act within three business
13 days of receiving that aggregate amount in contributions.

14 NEW SECTION. **Sec. 5.** RULES FOR COUNTING CONTRIBUTIONS AND
15 EXPENDITURES. For the purposes of this chapter:

16 (1) The expenditures made by and the contributions received by a
17 candidate and the expenditures made by and the contributions received
18 by the authorized committee of the candidate are considered to be
19 expenditures made by and contributions received by the candidate.

20 (2) Payments made by a candidate to repay loans made to the
21 candidate shall be reported but shall not be counted when determining
22 the total expenditures made by the candidate and the candidate's
23 authorized committee with regard to any of the expenditure limitations
24 provided by this chapter.

25 (3) A contribution received within the twelve-month period
26 following a general election for a state office shall be considered to
27 be a contribution during the election cycle for the state office ending
28 with that election. This subsection only applies to the extent the
29 contribution is used to pay any debt or obligation incurred to

1 influence the outcome of that election or the primary conducted for
2 that election.

3 NEW SECTION. **Sec. 6.** ADDITIONAL RULES FOR COUNTING EXPENDITURES--
4 CHAPTER APPLIES TO ELECTIONS TO FILL VACANCIES. (1) The expenditure
5 limitations imposed by this chapter apply to: A candidate's
6 expenditures for the candidate's own campaign for state office; and a
7 candidate's expenditures which are in the form of transfers or
8 contributions to the campaigns of any other candidates for state
9 office.

10 (2) The provisions of this chapter apply to a special election
11 conducted to fill a vacancy in a state office. However, the
12 contributions received by a candidate and the expenditures made by a
13 candidate for a primary or special election conducted to fill such a
14 vacancy shall not be counted toward any of the limitations which apply
15 to the candidate under this chapter for the election cycle for any
16 other election.

17 (3) This chapter does not apply to the recall of a state official.
18 The contributions received by a state official against whom recall
19 charges have been filed under chapter 29.82 RCW and the expenditures
20 made by the official, which contributions and expenditures are made
21 with regard to the recall and during the recall campaign, shall not be
22 counted toward any of the limitations which apply under this chapter to
23 the official as a candidate for the election cycle for any other
24 election.

25 (4) An expenditure shall be considered to be an expenditure of the
26 candidate if it is made by (a) the candidate or an authorized committee
27 of the candidate; (b) a person who has received, expressly or
28 impliedly, the candidate's encouragement or approval to make the
29 expenditure, if the expenditure pays in whole or in part for any

1 political advertising supporting the candidate or promoting the defeat
2 of any other candidate or candidates for that office; or (c) a person
3 with whom the candidate has collaborated for the purpose of making the
4 expenditure, if the expenditure pays in whole or in part for any
5 political advertising supporting the candidate or promoting the defeat
6 of any other candidate or candidates for that office.

7 (5) A contribution, donation, or gift voluntarily made by a
8 candidate or the candidate's authorized committee to the state election
9 board for deposit in the state election campaign account shall not be
10 considered to be an expenditure by the candidate for the purposes of
11 this chapter.

12 (6) The motor vehicle mileage costs and vehicle fuel costs incurred
13 by a candidate for the candidate's own campaign activities shall not be
14 considered to be an expenditure by the candidate of personal or other
15 funds for the purposes of this chapter.

16 NEW SECTION. **Sec. 7.** LIMITATIONS ON EXPENDITURES FROM PERSONAL OR
17 FAMILY FUNDS. (1) A candidate who enters an expenditure limitation and
18 eligibility agreement under section 3 of this act for an election cycle
19 shall not make, during the election cycle, expenditures from the
20 personal funds of the candidate, or the funds contributed by any member
21 of the immediate family of the candidate, aggregating in excess of the
22 following:

23 (a) For a candidate for the office of governor, thirty thousand
24 dollars;

25 (b) For a candidate for state executive office other than the
26 office of governor, ten thousand dollars; and

27 (c) For a candidate for the office of a member of the state
28 legislature, three thousand dollars.

1 For the purposes of this subsection, a loan by a candidate or a
2 member of the immediate family of the candidate to the campaign of the
3 candidate shall be considered to be a campaign expenditure by the
4 candidate.

5 (2) A candidate who enters an expenditure limitation and
6 eligibility agreement under section 3 of this act for an election cycle
7 and the authorized committee of the candidate shall not make
8 expenditures during the election cycle which in the aggregate exceed
9 any expenditure limit applicable to the candidate under section 4 of
10 this act.

11 NEW SECTION. **Sec. 8.** VARIOUS CONTRIBUTION AND EXPENDITURE AMOUNTS
12 ADJUSTED FOR INFLATION. The threshold amounts established in section
13 3(2) of this act, the base amounts established in section 4(2) of this
14 act, the amounts in section 7(1) of this act, and the campaign
15 contribution limitations established in section 21 of this act shall be
16 increased or decreased by the board by rule at the beginning of each
17 odd-numbered year based on changes in economic conditions as reflected
18 in the inflationary index used by the public disclosure commission
19 under RCW 42.17.370. The base year to be used for revisions made under
20 this section is 1991.

21 The board may also adjust the base amounts in section 7(1) of this
22 act applicable to a particular legislative office if the board finds
23 that, as a result of changes in population since the latest decennial
24 census, the population in the legislative district for that office
25 differs significantly from the average population of a legislative
26 district in the state. In such a case, the board may adjust the base
27 amount applicable to that office to reflect that difference in
28 populations.

1 NEW SECTION. **Sec. 9.** AMOUNT OF STATE FINANCIAL ASSISTANCE--NO

2 ASSISTANCE IF OPPOSITION IS PARTY TO EXPENDITURE LIMIT AGREEMENT. (1)

3 Except as provided in subsections (3) and (4) of this section, an
4 eligible candidate is entitled to payments from the state campaign
5 account equal to:

6 (a) Four dollars for each qualifying dollar received by the
7 candidate as a contribution for the campaign of the candidate; and

8 (b) The aggregate total amount of independent expenditures made or
9 obligated to be made during the twelve months preceding the election by
10 any person or persons in opposition to the candidate or for any other
11 candidate for the office sought by the candidate if:

12 (i) The candidate is a candidate for state executive office and the
13 aggregate of such independent expenditures exceeds an amount equal to
14 five percent of the base amount established in section 4(2) of this act
15 for the office sought; or

16 (ii) The candidate is a candidate for state legislative office and
17 the aggregate of such independent expenditures exceeds an amount equal
18 to ten percent of the base amount established in section 4(2) of this
19 act for the office sought.

20 A qualifying dollar is one which satisfies all of the provisions of
21 section 10 of this act regarding contributions.

22 (2) Payments received by a candidate under this section shall be
23 deposited as required in section 3(1)(b)(iii) of this act and shall be
24 used to pay for goods and services furnished during the election cycle
25 for which the payments were received. Such payments shall not be used:

26 (a) To make any payments, directly or indirectly, to the candidate
27 or to any member of the immediate family of the candidate;

28 (b) To make any expenditure other than expenditures to further the
29 nomination or election of the candidate; or

1 (c) To repay any loan to any person except to the extent the
2 proceeds of such loan were used to further the nomination or election
3 of the candidate.

4 (3) A candidate shall not be eligible to receive payments from the
5 state campaign account for a primary or election for an office unless:

6 (a) At least one other candidate for the office sought by the
7 candidate: (i) Enters an expenditure limitation and eligibility
8 agreement under section 3 of this act for an election cycle but expends
9 during the election cycle more than the expenditure limit applicable to
10 that other candidate; or (ii)(A) has not filed an expenditure
11 limitation and eligibility agreement under section 3 of this act with
12 the board in a timely manner; and (B) has received during the election
13 cycle contributions, less loan repayments, which, in the aggregate,
14 exceed twice the amount listed in section 3(2) of this act for the
15 office sought. For the purposes of (a)(ii)(B) of this subsection,
16 "contribution" does not include a contribution made by a candidate for
17 state office; and

18 (b) The candidate and the authorized committee of the candidate
19 have received contributions, less loan repayments, in an aggregate
20 threshold amount of at least the amount listed in section 3(2) (a),
21 (b), or (c) of this act for the office sought and all of the
22 contributions received for this purpose satisfy the provisions of
23 section 10 of this act.

24 (4) (a) Except as provided in (b) of this subsection, the sum of
25 all payments from the state campaign account to a candidate for an
26 election cycle may not exceed the following amounts for the office
27 sought:

28 (i) For the office of governor, two hundred twenty thousand
29 dollars;

1 (ii) For state executive office other than the office of governor,
2 eighty thousand dollars;

3 (iii) For the office of a member of the state legislature, twenty-
4 five thousand dollars.

5 (b) If the expenditure limitation applicable to the candidate is
6 increased under section 4(3) of this act as a result of independent
7 expenditures, the amount listed for the office sought by the candidate
8 in (a) of this subsection, as it applies to the candidate, shall be
9 increased by an amount equal to those independent expenditures.

10 NEW SECTION. **Sec. 10.** RULES FOR DETERMINING WHETHER CONTRIBUTIONS
11 WILL COUNT FOR DETERMINING THRESHOLD AMOUNT AND FOR STATE MATCHING
12 FUNDS. For a contribution received by a candidate or the candidate's
13 authorized committee to qualify as being one which satisfies the
14 requirements of section 9(3)(b) of this act for raising a threshold
15 amount of contributions or to qualify to be matched by public moneys
16 from the state campaign account under section 9 of this act, the
17 contribution must satisfy each of the following requirements:

18 (1) The contribution shall be a gift of money made by a written
19 instrument which identifies the individual making the contribution;

20 (2) The contribution shall be made directly to the candidate or the
21 candidate's authorized committee. Contributions made through any other
22 person shall not qualify. The provisions of this subsection do not
23 disqualify money received through bona fide joint fund-raising efforts
24 conducted solely for the purpose of sponsorship of a fund-raising
25 reception, dinner, or other event, under rules prescribed by the board,
26 by: (a) Two or more candidates, or (b) one or more candidates and one
27 or more national, state, or local committees of a political party
28 acting on their own behalf;

1 (3) The contribution shall have come from an individual who has a
2 residence or business in this state or who is employed in this state.
3 In addition, the contribution shall not have come from a candidate for
4 any office;

5 (4)(a) Of the total amount of all contributions made by a person to
6 the candidate and the authorized committee of the candidate or for the
7 benefit of the candidate, not more than the amount listed in (b) of
8 this subsection for the office sought may be counted toward the
9 threshold amount or be matched by moneys from the state campaign
10 account. The provisions of this subsection shall not be construed as
11 limiting the total amount of contributions that may be made by a person
12 to or for the benefit of a candidate or that may be accepted by the
13 candidate or the candidate's authorized committee from the person;

14 (b) The amount referred to in (a) of this subsection is: (i) For
15 the office of governor, five hundred dollars; (ii) for state executive
16 office other than the office of governor, two hundred fifty dollars;
17 and (iii) for state legislative office, one hundred dollars;

18 (c) For the purposes of this subsection (4), all contributions by
19 one person who is controlled by any other person shall be considered to
20 have been made by such other person. The provisions of this subsection
21 (c) shall not be construed as applying to the relationship between an
22 individual and the spouse of the individual;

23 (d) The provisions of section 23 (2) and (3) of this act apply in
24 determining whether a person is controlled by any other person for the
25 purposes of (c) of this subsection; and

26 (5) The contribution shall be received during the election cycle.

27 NEW SECTION. **Sec. 11.** PROCEDURES FOR REQUESTING PAYMENT UNDER
28 EXPENDITURE LIMIT AGREEMENT. A candidate desiring payments from the

1 state campaign account shall file a request with the board which shall
2 contain:

3 (1) Such information and be made in accordance with such procedures
4 as the board may provide by rule; and

5 (2) A verification signed by the candidate and the treasurer of the
6 authorized committee of the candidate stating that the information
7 furnished in support of the request, to the best of the knowledge of
8 each, is correct and fully satisfies the requirements of this chapter.

9 No later than two business days after an eligible candidate files
10 a request with the board to receive payments under this section, the
11 board shall determine whether the candidate is eligible to receive
12 payments from the state campaign account and, if the candidate is
13 eligible to receive such payments, disburse to the candidate from the
14 account the full amount to which the candidate is entitled.

15 A candidate is not limited to filing only one request for payments
16 under this section during each election cycle. After filing an
17 original request, a candidate may file one or more supplemental
18 requests to receive the payments to which the candidate is entitled.

19 The board may permit its executive director to approve requests
20 submitted under this section and make the disbursements authorized by
21 this chapter on behalf of the board and within guidelines adopted by
22 the board by rule.

23 NEW SECTION. **Sec. 12.** DISCLOSURE OF INDEPENDENT EXPENDITURES.

24 Within two business days after the date of entering into a contract to
25 make or otherwise making an independent expenditure, the person making
26 the expenditure shall file with the board a report, on a form
27 prescribed by the board, providing the date and amount of the
28 expenditure; what the expenditure purchased; the name of the candidate
29 supported or opposed; the office sought by that candidate; and any

1 other information which the board believes will assist it in carrying
2 out its responsibilities under this chapter. The person entering into
3 a contract to make or otherwise making the independent expenditure
4 shall also mail, within two days of entering into the contract or
5 otherwise making the expenditure, a copy of the report to each
6 candidate for the office or offices for which the expenditure is made.

7 NEW SECTION. **Sec. 13.** ELECTION BOARD CREATED. There is hereby
8 created the state election board, which shall be composed of six
9 members appointed by the governor. Each member shall be appointed to
10 a permanently assigned position number on the board.

11 Initially, the legislative leader of each caucus of the two largest
12 political parties in each house of the state legislature shall submit,
13 on behalf of the leader's caucus, a list of three nominees for
14 appointment to the board. The governor shall appoint one member of the
15 board from each of the four lists submitted by the four legislative
16 leaders. These shall be positions one through four, one for each such
17 caucus. Appointment of a successor for a full term for any one of
18 these four positions or for filling a vacancy in any one of these four
19 positions shall be made by the governor also from a list of three
20 persons nominated by the legislative leader of the caucus to which the
21 position applies.

22 Positions five and six shall be filled by persons appointed by the
23 governor to represent the public interest generally. Persons appointed
24 to fill these two positions shall not be from the same political party.
25 Any person or organization may submit recommendations to the governor,
26 which may be considered by the governor in making the appointments to
27 these two positions. A person appointed to position five or six shall
28 not also be an elected public official nor may the person have held the

1 office of an elected public official in any of the six years prior to
2 his or her appointment.

3 The term of office of each member of the board is four years,
4 except that the term of office of one of the initial members shall be
5 one year, the term of two initial members shall be two years, and the
6 term of one other initial member shall be three years as designated by
7 the governor. The board shall notify the governor and any appropriate
8 nominating legislative leader regarding a vacancy created on the board
9 or the impending conclusion of a member's full term of office. The
10 governor shall make appointments to fill vacancies within thirty days
11 of their being created and shall make appointments to fill full terms
12 within thirty days of the expiration of a member's term.

13 Four members constitute a quorum for conducting the business of the
14 board.

15 The board is a class four group under the provisions of RCW
16 43.03.250 and members shall be compensated accordingly. In addition,
17 the members shall be reimbursed for travel expenses incurred while
18 engaged in the business of the board as provided in RCW 43.03.050 and
19 43.03.060.

20 NEW SECTION. **Sec. 14.** ELECTION BOARD DUTIES. The state election
21 board shall:

22 (1) Administer this chapter and adopt such rules and make such
23 orders as it finds appropriate for such administration;

24 (2) Enforce the provisions of this chapter and the rules adopted by
25 the board under this chapter, and administer oaths and affirmations,
26 issue subpoenas, and compel attendance, take evidence and require the
27 production of any books, papers, correspondence, memorandums, or other
28 records relevant or material for the purpose of any investigation under
29 this chapter;

1 (3) Develop and provide forms for the applications and reports
2 filed with the board under this chapter;

3 (4) Prepare and publish, jointly with the public disclosure
4 commission, a manual setting forth uniform methods of bookkeeping by
5 candidates who have accepted public funding;

6 (5) Compile and maintain a current list of all filed reports and
7 statements filed under this chapter;

8 (6) Upon complaint or upon its own motion, investigate possible
9 violations of this chapter and of rules adopted under this chapter;

10 (7) Employ an executive director who shall perform such duties and
11 have such powers as the board may prescribe. However, the board may
12 not delegate its authority to adopt, amend, or rescind rules or to
13 determine whether a violation of this chapter has occurred or to assess
14 penalties for such violation. With the exception of this executive
15 director, the board shall receive its staff support from the public
16 disclosure commission; and

17 (8) Prepare and publish such reports and technical studies as in
18 its judgment will tend to promote the purposes of this chapter.

19 The board shall solicit contributions, donations, or gifts on
20 behalf of the state election campaign account from any person whose
21 activities are not directly regulated by the board. The board may
22 accept contributions, donations, or gifts from any person or entity on
23 behalf of the account. The money value of any such contribution,
24 donation, or gift received by the board shall be promptly deposited in
25 the account.

26 NEW SECTION. **Sec. 15.** ELECTION BOARD PROVIDES CAMPAIGN FINANCING
27 PAYMENTS--APPEAL FROM ADVERSE BOARD DECISION. (1) The board shall
28 decide all applications for payment from the state campaign account.
29 Each application shall be decided in accordance with rules adopted by

1 the board, and the board's decision on the application shall be final
2 unless appealed as provided in subsection (2) of this section. The
3 board's review of applications, and all actions taken by the board on
4 applications, shall be exempt from chapter 34.05 RCW.

5 (2) Any person adversely affected by the board's decision and who
6 believes the decision to be unlawful may appeal to the superior court
7 of Thurston county by petition setting forth his or her reasons why the
8 decision is unlawful. A copy of the petition on appeal together with
9 a notice that an appeal has been taken shall be served upon the board,
10 upon the attorney general, and upon each candidate for the office
11 sought by the applicant. The decision of the superior court shall be
12 final. Such appeal shall be heard without costs to either party.

13 NEW SECTION. **Sec. 16.** CREATION OF STATE ELECTION CAMPAIGN
14 ACCOUNT. The state election campaign account is hereby created in the
15 custody of the state treasurer. All moneys appropriated to the board
16 for deposit in the account, all moneys received under RCW 29.15.050 or
17 29.18.050, and all earnings of investments of balances in the account
18 shall be credited to the account. Moneys may be disbursed from the
19 account only in the form of payments to eligible candidates as
20 authorized by this chapter. Only the board, or the board's executive
21 director if permitted to do so by rules adopted by the board, may
22 authorize disbursements from the account. The account is subject to
23 allotment procedures under chapter 43.88 RCW, but no appropriation is
24 required for disbursements.

25 NEW SECTION. **Sec. 17.** EXAMINATION AND AUDITS--RETURN OF UNSPENT
26 MATCHING FUNDS. (1) The public disclosure commission and the board
27 shall jointly develop and approve a program for providing staff support
28 to the board which shall include, but shall not be limited to, a

1 program for auditing the campaign accounts of candidates who accept
2 public funding under this chapter.

3 (2) After each general election, the board shall conduct such
4 examinations and audits of the campaign accounts of eligible candidates
5 and of authorized committees as are sufficient to determine, among
6 other things, whether candidates have complied with the expenditure
7 limits and other conditions of eligibility and requirements of this
8 chapter.

9 (3) The board shall require candidates to return to the board any
10 unexpended funds received by the candidates under this chapter. The
11 board may adopt exceptions to this requirement for instances where
12 debts are in dispute.

13 (4) Examinations and audits shall not be made by the board under
14 this section with respect to an election cycle more than three years
15 after the cycle.

16 NEW SECTION. **Sec. 18.** VIOLATIONS. (1) It is a violation of this
17 chapter for any candidate to accept public payments under this chapter
18 which are in excess of the aggregate payments to which the candidate is
19 entitled.

20 (2) It is a violation of this chapter for any candidate or for any
21 officer, member, employee, or agent of a political committee for the
22 candidate:

23 (a) To use or transfer funds for any purpose prohibited by section
24 9(2) of this act;

25 (b) To make expenditures which he or she knows exceed any
26 expenditure limitation applicable under section 4 of this act;

27 (c) To provide false information under section 3 (1) or (2) of this
28 act; or

29 (d) To violate the agreement under section 3(1)(b) of this act.

1 (3) It is a violation of this chapter for any person:

2 (a) To furnish to the board or to the public disclosure commission
3 under this chapter any evidence, books, or information (including any
4 certification, verification, notice, or report), which is false,
5 fictitious, or fraudulent, or to include in any evidence, books, or
6 information so furnished any misrepresentation of a material fact, or
7 to falsify or conceal any evidence, books, or information relevant to
8 a payment by the board or an examination or audit by the board or the
9 commission under this chapter; or

10 (b) To fail to furnish to the board or the commission any records,
11 books, or information requested by it for purposes of this chapter.

12 (4) It is a violation of this chapter for any person to accept any
13 payment if the person knows, or has reason to know, that the payment is
14 in violation of section 9(2) of this act.

15 NEW SECTION. **Sec. 19.** BOARD TO REPORT TO GOVERNOR AND
16 LEGISLATURE--RULE-MAKING POWERS. (1) The board shall, as soon as
17 practicable after each election, submit a full report to the governor
18 and the legislature setting forth:

19 (a) The expenditures shown in such detail as the board determines
20 appropriate made by each eligible candidate and the authorized
21 committee of each candidate;

22 (b) The amounts paid by the board under section 11 of this act to
23 each eligible candidate;

24 (c) The amount of any payments returned under section 17 of this
25 act; and

26 (d) The balance in the state campaign account.

27 (2) The board is authorized to prescribe such rules in accordance
28 with chapter 34.05 RCW, to conduct such examinations and
29 investigations, and to require the keeping and submission of such

1 books, records, and information, as it deems necessary to carry out the
2 functions and duties imposed on it by this chapter.

3 CAMPAIGN CONTRIBUTION LIMITATIONS

4 NEW SECTION. **Sec. 20.** DEFINITIONS--CAMPAIGN CONTRIBUTION
5 LIMITATIONS. Unless the context clearly requires otherwise, the
6 definitions in section 2 of this act apply to this subchapter. Unless
7 the context clearly requires otherwise, the definitions in RCW
8 42.17.020 also apply to this subchapter except as they are modified by
9 the definitions in section 2 of this act.

10 For the purposes of sections 20 through 24 of this act,
11 "contribution" does not include a loan, gift, payment, pledge, or
12 transfer of anything of value owned by the candidate which is made by
13 the candidate to the candidate's own authorized political committee.

14 NEW SECTION. **Sec. 21.** CAMPAIGN CONTRIBUTION LIMITS. (1) No
15 person, other than a multicandidate political committee or a bona fide
16 political party or a caucus of the state legislature, may make
17 contributions during an election cycle which in the aggregate exceed:
18 (a) One thousand dollars to any candidate for state legislative office;
19 or (b) five thousand dollars to any candidate for any state executive
20 office. No candidate and no authorized committee of a candidate may
21 accept contributions from a person which exceed the contribution
22 limitations provided by this subsection for that person.

23 (2) No person, other than a multicandidate political committee or
24 a bona fide political party or a caucus of the state legislature, may
25 make contributions during a recall campaign which in the aggregate
26 exceed: (a) One thousand dollars to any state legislator against whom
27 recall charges have been filed or to any political committee having the

1 expectation of making expenditures in support of the recall of any
2 state legislator; or (b) five thousand dollars to any state executive
3 officer against whom recall charges have been filed or to any political
4 committee having the expectation of making expenditures in support of
5 the recall of such a state executive officer. No state official
6 against whom recall charges have been filed, no authorized committee of
7 such an official, and no political committee having the expectation of
8 making expenditures in support of the recall of any state official may
9 accept contributions from a person which exceed the contribution
10 limitation provided by this subsection for that person.

11 (3) No multicandidate political committee may make contributions
12 during an election cycle which in the aggregate exceed: (a) Three
13 thousand dollars to any candidate for state legislative office; or (b)
14 seven thousand five hundred dollars to any candidate for any state
15 executive office. No candidate and no authorized committee of a
16 candidate may accept contributions from a multicandidate political
17 committee which exceed the contribution limitation provided by this
18 subsection for that multicandidate political committee.

19 (4) No multicandidate political committee may make contributions
20 during a recall campaign which in the aggregate exceed: (a) Three
21 thousand dollars to any state legislator against whom recall charges
22 have been filed or to any political committee having the expectation of
23 making expenditures in support of the recall of any state legislator;
24 or (b) seven thousand five hundred dollars to any state executive
25 officer against whom recall charges have been filed or to any political
26 committee having the expectation of making expenditures in support of
27 the recall of such a state executive officer. No state official
28 against whom recall charges have been filed, no authorized committee of
29 such an official, and no political committee having the expectation of
30 making expenditures in support of the recall of any state official may

1 accept contributions from a multicandidate political committee which
2 exceed the contribution limitation provided by this subsection for that
3 multicandidate political committee.

4 (5) No bona fide political party and no caucus of the state
5 legislature may make contributions during an election cycle which in
6 the aggregate exceed: (a) Five thousand dollars to any candidate for
7 state legislative office; or (b) ten thousand dollars to any candidate
8 for any state executive office. No candidate and no authorized
9 committee of a candidate may accept contributions from a bona fide
10 political party or from a caucus of the state legislature which exceed
11 the contribution limitation provided by this subsection for that party
12 or caucus.

13 (6) No bona fide political party and no caucus of the state
14 legislature may make contributions during a recall campaign which in
15 the aggregate exceed: (a) Five thousand dollars to any state
16 legislator against whom recall charges have been filed or to any
17 political committee having the expectation of making expenditures in
18 support of the recall of any state legislator; or (b) ten thousand
19 dollars to any state executive officer against whom recall charges have
20 been filed or to any political committee having the expectation of
21 making expenditures in support of the recall of such a state executive
22 officer. No state official against whom recall charges have been
23 filed, no authorized committee of such an official, and no political
24 committee having the expectation of making expenditures in support of
25 the recall of any state official may accept contributions from a bona
26 fide political party or from a caucus of the state legislature which
27 exceed the contribution limitation provided by this subsection for that
28 party or caucus.

29 (7) For the purposes of this subchapter, a contribution to the
30 authorized political committee of a candidate, or of a state official

1 against whom recall charges have been filed, shall be considered to be
2 a contribution to the candidate or state official.

3 (8) Any contribution received within the twelve-month period
4 following a general election for a state office or for a recall
5 election concerning a state office shall be considered to be a
6 contribution during the election cycle ending with that election or
7 during that recall campaign if the contribution is used to pay any debt
8 or obligation incurred to influence the outcome of that election or the
9 primary conducted for that election or of that recall campaign.

10 (9)(a) The provisions of this subchapter apply to a recall campaign
11 conducted regarding a state office. However, the contributions made to
12 or received by a state office holder against whom recall charges have
13 been made, which are made or received during the recall campaign and
14 for or against the recall of the office holder, shall not be counted
15 toward any of the limitations which apply under this subchapter to the
16 office holder or to contributions made to the office holder as a
17 candidate for state office for any other election or primary.

18 (b) The provisions of this subchapter apply to a special election
19 conducted to fill a vacancy in a state office. However, the
20 contributions made to a candidate or received by a candidate for a
21 primary or special election conducted to fill such a vacancy shall not
22 be counted toward any of the limitations which apply to the candidate
23 or to contributions made to the candidate under this subchapter for any
24 other primary or election.

25 (10) No state legislator, or authorized political committee for
26 such legislator, may, during the course of a regular session of the
27 legislature or during the fifteen days before or the fifteen days after
28 a regular session, accept a campaign contribution for a state
29 legislative office from any person. The provisions of this subsection

1 do not apply during a recall campaign to a state legislator against
2 whom recall charges have been filed pursuant to RCW 29.82.015.

3 NEW SECTION. **Sec. 22.** CONTRIBUTIONS BY CHILDREN. Children under
4 eighteen years of age may make contributions to the extent authorized
5 in section 21 of this act only if:

6 (1) The decision to contribute is made knowingly and voluntarily by
7 the child;

8 (2) The funds, goods, or services contributed are owned or
9 controlled exclusively by the child, such as income earned by the
10 child, the proceeds of a trust for which the child is the beneficiary,
11 or a savings account opened and maintained exclusively in the child's
12 name; and

13 (3) The contribution is not made from the proceeds of a gift, the
14 purpose of which was to provide funds to be contributed, or is not in
15 any other way controlled by another individual.

16 NEW SECTION. **Sec. 23.** RULES FOR DETERMINING CONTRIBUTOR. (1) For
17 the purposes of the contribution limitations in section 21 of this act,
18 all contributions by any person who is controlled by any other person
19 shall be considered to have been made by such other person. The
20 provisions of this section shall not be construed as applying to the
21 relationship between an individual and the spouse of the individual or
22 to the relationship between a bona fide political party and any
23 district or county organization of that party or a caucus of the state
24 legislature of the members of that party.

25 (2) Without in any manner limiting its scope and effect, the
26 general rule under subsection (1) of this section or under section
27 10(4)(c) of this act means that:

1 (a) Any contribution by a subsidiary, branch, division, department,
2 or local unit of any association shall be considered to have been made
3 by the association; and

4 (b) Any contribution by a political committee controlled by any
5 person shall be considered to be a contribution by that person.

6 (3) In determining whether a person is controlled by any other
7 person for the purposes of subsection (1) of this section, the
8 following shall, if applicable, be considered:

9 (a) Ownership of a controlling interest in voting shares or
10 securities;

11 (b) Provisions of bylaws, articles of incorporation, charters,
12 constitutions, or other documents by which one person has the
13 authority, power, or ability to direct another;

14 (c) The authority, power, or ability to hire, appoint, discipline,
15 discharge, demote, or remove or influence the decision of the officers
16 or members of an entity;

17 (d) Similar patterns of contributions; and

18 (e) The extent of the transfer of funds between the persons.

19 NEW SECTION. **Sec. 24.** ADDITIONAL RULES FOR DETERMINING
20 CONTRIBUTOR. All contributions made by a person, either directly or
21 indirectly, to a candidate, to a state official against whom recall
22 charges have been filed, or to a political committee expecting to make
23 expenditures in support of the recall of a state official shall be
24 considered to be contributions from such person to the candidate, state
25 official, or political committee, as shall contributions which are in
26 any way earmarked or otherwise directed through an intermediary or
27 conduit to the candidate, state official, or political committee. For
28 purposes of this section, "earmarked" means a designation, instruction,
29 or encumbrance, whether direct or indirect, express or implied, or oral

1 or written, which is intended to result in or which does result in all
2 or any part of a contribution being made to a certain candidate or
3 state official. If a conduit or intermediary exercises any direction
4 or control over the choice of the recipient candidate or state
5 official, the contribution shall be considered to be by both the
6 original contributor and the conduit or intermediary.

7 NEW SECTION. **Sec. 25.** A new section is added to chapter 42.17 RCW
8 to read as follows:

9 RETURNED CONTRIBUTIONS NOT COUNTED. A contribution received by a
10 candidate or political committee which is returned to the contributor
11 within five days of the date on which it is received by the candidate
12 or committee is not a contribution for the purposes of this chapter.

13 NEW SECTION. **Sec. 26.** PENALTIES FOR VIOLATION OF EXPENDITURE
14 LIMIT CHAPTER. The board may impose a civil fine on any person who
15 violates any provision of this chapter or any rule adopted under this
16 chapter. The fine shall not exceed ten thousand dollars, except for
17 the following violations for which the penalty shall be as follows:

18 (1) For violations of section 18(1) of this act, up to the greater
19 of ten thousand dollars or the amount in excess of the aggregate
20 payments to which the candidate is entitled;

21 (2) For violations of section 18(2)(a) of this act, up to the
22 greater of ten thousand dollars or the amount used or transferred for
23 a prohibited purpose;

24 (3) For violations of section 18(2)(b) of this act, up to the
25 greater of ten thousand dollars or the amount of the expenditures in
26 excess of the applicable expenditure limitation; and

1 (4) For violations of section 18(4) of this act, up to the greater
2 of ten thousand dollars or the amount of the payment in violation of
3 section 9(2) of this act.

4 **Sec. 27.** RCW 29.15.050 and 1990 c 59 s 85 are each amended to read
5 as follows:

6 (1) A filing fee of one dollar shall accompany each declaration of
7 candidacy for precinct committee officer; a filing fee of ten dollars
8 shall accompany the declaration of candidacy for any office with a
9 fixed annual salary of one thousand dollars or less; except as provided
10 in subsection (2) of this section, a filing fee equal to one percent of
11 the annual salary of the office at the time of filing shall accompany
12 the declaration of candidacy for any office with a fixed annual salary
13 of more than one thousand dollars per annum. No filing fee need
14 accompany a declaration of candidacy for any office for which
15 compensation is on a per diem or per meeting attended basis, nor for
16 the filing of any declaration of candidacy by a write-in candidate.

17 (2) The filing fee for an office of the legislative or executive
18 branch of state government is equal to one and one-half percent of the
19 annual salary of the office at the time of filing and shall accompany
20 the declaration of candidacy for the office. Of each such fee: A sum
21 equal to one-half of one percent of the annual salary for the office
22 shall be promptly transmitted to the state election board for deposit
23 in the state election campaign account created in section 16 of this
24 act; and a sum equal to one percent of the annual salary for the office
25 shall be deposited as required under subsection (4) of this section.

26 (3) A candidate who lacks sufficient assets or income at the time
27 of filing to pay the filing fee required by this section shall submit
28 with his or her declaration of candidacy a nominating petition. The
29 petition shall contain not less than a number of signatures of

1 registered voters equal to the number of dollars of the filing fee.
2 The signatures shall be of voters registered to vote within the
3 jurisdiction of the office for which the candidate is filing.

4 (4) When the candidacy is for:

5 ~~((1))~~ (a) A legislative or judicial office that includes
6 territory from more than one county, the fee shall be paid to the
7 secretary of state for equal division between the treasuries of the
8 counties comprising the district.

9 ~~((2))~~ (b) A city or town office, the fee shall be paid to the
10 county auditor who shall transmit it to the city or town clerk for
11 deposit in the city or town treasury.

12 **Sec. 28.** RCW 29.18.050 and 1987 c 295 s 2 are each amended to read
13 as follows:

14 (1) A filing fee of one dollar shall accompany each declaration of
15 candidacy for precinct committee officer; a filing fee of ten dollars
16 shall accompany the declaration of candidacy for any office with an
17 annual salary of one thousand dollars or less; except as provided in
18 subsection (2) of this section, a filing fee equal to one percent of
19 the annual salary shall accompany the declaration of candidacy for any
20 office with an annual salary of more than one thousand dollars per
21 annum.

22 (2) The filing fee for an office of the legislative or executive
23 branch of state government is equal to one and one-half percent of the
24 annual salary of the office at the time of filing and shall accompany
25 the declaration of candidacy for the office. Of each such fee: A sum
26 equal to one-half of one percent of the annual salary for the office
27 shall be promptly transmitted to the state election board for deposit
28 in the state election campaign account created in section 16 of this

1 act; and a sum equal to one percent of the annual salary for the office
2 shall be deposited as required under subsection (4) of this section.

3 (3) A candidate who lacks sufficient assets or income at the time
4 of filing to pay the filing fee required by this section shall submit
5 with his or her declaration of candidacy a nominating petition. The
6 petition shall contain not less than a number of signatures of
7 registered voters equal to the number of dollars of the filing fee.
8 The signatures shall be of voters registered to vote within the
9 jurisdiction of the office for which the candidate is filing.

10 (4) When the candidacy is for:

11 ~~((1))~~ (a) A federal or state-wide office, the fee shall be paid
12 to the secretary of state for deposit in the state treasury.

13 ~~((2))~~ (b) A legislative or judicial office that includes
14 territory from more than one county, the fee shall be paid to the
15 secretary of state for equal division between the treasuries of the
16 counties comprising the district.

17 ~~((3))~~ (c) A county office or a legislative, judicial, or district
18 office that includes territory from a single county, the fee shall be
19 paid to the county auditor for deposit in the county treasury.

20 ~~((4))~~ (d) A city or town office, the fee shall be paid to the
21 county auditor who shall transmit it to the city or town clerk for
22 deposit in the city or town treasury.

23 **Sec. 29.** RCW 42.17.095 and 1982 c 147 s 8 are each amended to read
24 as follows:

25 (1) Except as provided in subsection (2) of this section, the
26 surplus funds of a candidate, or of a political committee supporting or
27 opposing a candidate, may only be disposed of in any one or more of the
28 following ways:

1 ~~((1))~~ (a) Return the surplus to a contributor in an amount not to
2 exceed that contributor's original contribution;

3 ~~((2))~~ (b) Transfer the surplus to the candidate's personal
4 account as reimbursement for lost earnings incurred as a result of that
5 candidate's election campaign. Such lost earnings shall be verifiable
6 as unpaid salary or, when the candidate is not salaried, as an amount
7 not to exceed income received by the candidate for services rendered
8 during an appropriate, corresponding time period. All lost earnings
9 incurred shall be documented and a record thereof shall be maintained
10 by the candidate or the candidate's political committee. The committee
11 shall include a copy of such record when its expenditure for such
12 reimbursement is reported pursuant to RCW 42.17.090;

13 ~~((3))~~ (c) Transfer the surplus to one or more candidates or to a
14 political committee or party;

15 ~~((4))~~ (d) Donate the surplus to a charitable organization
16 registered in accordance with chapter 19.09 RCW;

17 ~~((5))~~ (e) Transmit the surplus to the state treasurer for deposit
18 in the general fund; or

19 ~~((6))~~ (f) Hold the surplus in the ~~((campaign))~~ depository or
20 depositories designated in accordance with RCW 42.17.050 for possible
21 use in a future election campaign, for political activity, for
22 community activity, or for nonreimbursed public office related expenses
23 and report any such disposition in accordance with RCW 42.17.090:
24 PROVIDED, That if the candidate subsequently announces or publicly
25 files for office, information as appropriate is reported to the
26 commission in accordance with RCW 42.17.040 through 42.17.090. If a
27 subsequent office is not sought the surplus held shall be disposed of
28 in accordance with the requirements of this section.

1 (2) Campaign funds and surplus funds may be voluntarily contributed
2 or donated to the state election board for deposit in the state
3 election campaign account.

4 **Sec. 30.** RCW 42.17.105 and 1989 c 280 s 11 are each amended to
5 read as follows:

6 (1) Campaign treasurers shall prepare and deliver to the commission
7 a special report regarding any contribution which:

8 (a) Exceeds five hundred dollars;

9 (b) Is from a single person or entity;

10 (c) Is received before a primary or general election; and

11 (d) Is received: (i) After the period covered by the last report
12 required by RCW 42.17.080 and 42.17.090 to be filed before that
13 primary; or (ii) within twenty-one days preceding that general
14 election.

15 (2) Any political committee making a contribution which exceeds
16 five hundred dollars shall also prepare and deliver to the commission
17 the special report if the contribution is made before a primary or
18 general election and: (a) After the period covered by the last report
19 required by RCW 42.17.080 and 42.17.090 to be filed before that
20 primary; or (b) within twenty-one days preceding that general election.

21 (3) Except as provided in subsection (4) of this section, the
22 special report required by this section shall be delivered in written
23 form, including but not limited to mailgram, telegram, or nightletter.
24 The special report required by subsection (1) of this section shall be
25 delivered to the commission within forty-eight hours of the time, or on
26 the first working day after, the contribution is received by the
27 candidate or campaign treasurer. The special report required by
28 subsection (2) of this section and RCW 42.17.175 shall be delivered to
29 the commission, and the candidate or political committee to whom the

1 contribution is made, within twenty-four hours of the time, or on the
2 first working day after, the contribution is made.

3 (4) The special report may be transmitted orally by telephone to
4 the commission to satisfy the delivery period required by subsection
5 (3) of this section if the written form of the report is also mailed to
6 the commission and postmarked within the delivery period established in
7 subsection (3) of this section.

8 (5) The special report shall include at least:

9 (a) The amount of the contribution;

10 (b) The date of receipt;

11 (c) The name and address of the donor;

12 (d) The name and address of the recipient; and

13 (e) Any other information the commission may by rule require.

14 (6) Contributions reported under this section shall also be
15 reported as required by other provisions of this chapter.

16 (7) The commission shall publish daily a summary of the special
17 reports made under this section and RCW 42.17.175.

18 (8) It is a violation of this chapter for any person to make, or
19 for any candidate or political committee to accept from any one person,
20 contributions reportable under RCW 42.17.090 in the aggregate exceeding
21 (~~fifty thousand dollars for any campaign for state-wide office or~~
22 ~~exceeding~~) five thousand dollars for any (~~other~~) campaign subject to
23 the provisions of this chapter within twenty-one days of a general
24 election. This subsection does not apply to: Campaigns for which
25 contributions are regulated under section 21 of this act; or
26 contributions made by, or accepted from, a major Washington state
27 political party as defined in RCW 29.01.090.

28 **Sec. 31.** RCW 42.17.390 and 1973 c 1 s 39 are each amended to read
29 as follows:

1 PENALTIES FOR VIOLATION OF CONTRIBUTION LIMITS. (1) One or more of
2 the following civil remedies and sanctions may be imposed by court
3 order in addition to any other remedies provided by law:

4 (a) If the court finds that the violation of any provision of this
5 chapter by any candidate or political committee probably affected the
6 outcome of any election, the result of said election may be held void
7 and a special election held within sixty days of such finding. Any
8 action to void an election shall be commenced within one year of the
9 date of the election in question. It is intended that this remedy be
10 imposed freely in all appropriate cases to protect the right of the
11 electorate to an informed and knowledgeable vote.

12 (b) If any lobbyist or sponsor of any grass roots lobbying campaign
13 violates any of the provisions of this chapter, his or her registration
14 may be revoked or suspended and he or she may be enjoined from
15 receiving compensation or making expenditures for lobbying: PROVIDED,
16 HOWEVER, That imposition of such sanction shall not excuse said
17 lobbyist from filing statements and reports required by this chapter.

18 (c) Any person who violates any of the provisions of this chapter
19 may be subject to a civil penalty of not more than ten thousand dollars
20 for each such violation. However, for violations of section 21 of this
21 act, the penalty shall be up to the greater of ten thousand dollars or
22 the amount of the contribution illegally made or accepted.

23 (d) Any person who fails to file a properly completed statement or
24 report within the time required by this chapter may be subject to a
25 civil penalty of ten dollars per day for each day each such delinquency
26 continues.

27 (e) Any person who fails to report a contribution or expenditure
28 may be subject to a civil penalty equivalent to the amount he or she
29 failed to report.

1 (f) The court may enjoin any person to prevent the doing of any act
2 herein prohibited, or to compel the performance of any act required
3 herein.

4 NEW SECTION. Sec. 32. A new section is added to chapter 42.17 RCW
5 to read as follows:

6 COMMISSION TO ADOPT FEE SCHEDULE. (1) The commission is authorized
7 to adopt a fee schedule for the filing of reports, statements, and
8 registrations with the commission. The schedule shall be adequate to
9 recover for the state a portion of the commission's appropriation as
10 such portion is designated in the legislature's operating budget for
11 the commission. The commission is vested with broad authority to set
12 fees and to adopt rules that facilitate their payment. The commission
13 shall not impose any fee on the filing of: Reports of contribution
14 deposits required under RCW 42.17.080(3); or registrations or reports
15 required for lobbying activities which are filed by any person who
16 conducts his or her lobbying activities without compensation.

17 (2) A report shall not be accepted by the commission or be
18 considered filed under this chapter unless the required fee is included
19 along with the report. However, the commission may authorize persons
20 filing multiple reports to pay an amount or amounts which will cover a
21 number of reports or to maintain an account with the commission which
22 will be used to pay the required fees.

23 (3) The commission shall deposit the fee amounts collected under
24 this section into the state election campaign account created in
25 section 16 of this act.

26 NEW SECTION. Sec. 33. A new section is added to chapter 42.17 RCW
27 to read as follows:

1 COMMISSION TO PROVIDE STAFF FOR BOARD. The commission and the
2 state election board created in section 13 of this act shall jointly
3 adopt a program for providing staff support for the board for
4 implementing the board's responsibilities under chapter 42.-- RCW
5 (sections 2 through 19, 26, and 41 of this act). The program shall
6 provide, but shall not be limited to providing, support for conducting
7 examinations and audits under section 17 of this act.

8 NEW SECTION. **Sec. 34.** A new section is added to chapter 44.04 RCW
9 to read as follows:

10 COMMUNICATION EXPENSES LIMITED. The house of representatives and
11 the senate shall by rule specifically limit the total amount of the
12 legislative expenditures which may be made for any one member of the
13 house or senate for mailings or other types of mass communications made
14 by or for the member. The amount limited under this section shall
15 include the total of all costs to the state attributable to the
16 communications including, but not limited to, the production, printing,
17 and postage costs.

18 NEW SECTION. **Sec. 35.** A new section is added to chapter 42.17 RCW
19 to read as follows:

20 GIFTS OVER FIFTY DOLLARS TO BE REPORTED. (1) A member of the state
21 legislature shall report to the commission the member's receipt of a
22 gift having a value of more than fifty dollars. The member shall
23 report the receipt of the gift to the commission not later than the end
24 of the calendar month following the month of its receipt. The report
25 shall identify the nature and approximate value of the gift, the name
26 and address of the donor of the gift, and the date of its receipt. The
27 commission shall adopt by rule a form which may be used in filing the
28 report required under this section

1 (2) This section applies to any gift received by a legislator
2 except for the following: (a) A gift given under circumstances where
3 it is clear beyond any doubt that the gift was not made as part of any
4 design to gain or maintain influence in the legislature, with the
5 legislator, or with respect to any legislative matter or matters; or
6 (b) a contribution received by a legislator which is promptly deposited
7 in the legislator's campaign depository or public office fund.

8 **Sec. 36.** RCW 43.03.028 and 1988 c 167 s 9 are each amended to read
9 as follows:

10 SALARY OF EXECUTIVE DIRECTOR OF STATE ELECTION BOARD. (1) There is
11 hereby created a state committee on agency officials' salaries to
12 consist of seven members, or their designees, as follows: The
13 president of the University of Puget Sound; the chairperson of the
14 council of presidents of the state's four-year institutions of higher
15 education; the chairperson of the State Personnel Board; the president
16 of the Association of Washington Business; the president of the Pacific
17 Northwest Personnel Managers' Association; the president of the
18 Washington State Bar Association; and the president of the Washington
19 State Labor Council. If any of the titles or positions mentioned in
20 this subsection are changed or abolished, any person occupying an
21 equivalent or like position shall be qualified for appointment by the
22 governor to membership upon the committee.

23 (2) The committee shall study the duties and salaries of the
24 directors of the several departments and the members of the several
25 boards and commissions of state government, who are subject to
26 appointment by the governor or whose salaries are fixed by the
27 governor, and of the chief executive officers of the following agencies
28 of state government:

1 The arts commission; the human rights commission; the board of
2 accountancy; the board of pharmacy; the capitol historical association
3 and museum; the eastern Washington historical society; the Washington
4 state historical society; the interagency committee for outdoor
5 recreation; the criminal justice training commission; the department of
6 personnel; the state election board; the state finance committee; the
7 state library; the traffic safety commission; the horse racing
8 commission; the advisory council on vocational education; the public
9 disclosure commission; the hospital commission; the state conservation
10 commission; the commission on Hispanic affairs; the commission on
11 Asian-American affairs; the state board for volunteer ((firemen)) fire
12 fighters; the transportation improvement board; the public
13 ((employees)) employment relations commission; the forest practices
14 appeals board; and the energy facilities site evaluation council.

15 The committee shall report to the governor or the chairperson of
16 the appropriate salary fixing authority at least once in each fiscal
17 biennium on such date as the governor may designate, but not later than
18 seventy-five days prior to the convening of each regular session of the
19 legislature during an odd-numbered year, its recommendations for the
20 salaries to be fixed for each position.

21 (3) Committee members shall be reimbursed by the department of
22 personnel for travel expenses under RCW 43.03.050 and 43.03.060.

23 NEW SECTION. **Sec. 37.** CONTRIBUTIONS BEFORE EFFECTIVE DATE NOT
24 SUBJECT TO CONTRIBUTION LIMITS. Contributions made and received before
25 the effective date of this section shall not be considered to be
26 contributions under the provisions of sections 20 through 25 of this
27 act and the 1991 amendments to RCW 42.17.390 contained in section 31,
28 chapter .., Laws of 1991 (section 31 of this act).

1 NEW SECTION. **Sec. 38.** CONTRIBUTIONS BEFORE EFFECTIVE DATE NOT
2 SUBJECT TO CAMPAIGN FINANCING PROVISIONS. Contributions received
3 before the effective date of this section shall not be considered to be
4 contributions under the provisions of chapter 42.-- RCW (sections 2
5 through 19, 26, and 41 of this act).

6 NEW SECTION. **Sec. 39.** A new section is added to chapter 34.05 RCW
7 to read as follows:

8 ADMINISTRATIVE PROCEDURE ACT NOT APPLICABLE. This chapter shall
9 not apply to any action taken by the state election board under section
10 15 of this act on applications for payments from the state election
11 campaign account.

12 NEW SECTION. **Sec. 40.** A new section is added to chapter 29.80
13 RCW to read as follows:

14 CANDIDATES' PAMPHLET NOTICE. The secretary of state shall secure
15 from the state election board a list of the names of candidates for
16 state legislative and state executive offices who have signed an
17 agreement with the board limiting expenditures under section 3 of this
18 act. Before providing this list to the secretary, the board shall
19 remove from the list the name of any candidate whom the board has found
20 to have violated the expenditure limit applicable to that candidate.
21 The secretary shall add a notice in the candidates' pamphlet following
22 the statement of each person on that list indicating that the candidate
23 has so agreed. The secretary shall also prominently display the good
24 campaign practices seal specified in section 3(5) of this act next to
25 the statement of each person on that list. The secretary shall use the
26 most current list available from the board on the last date on which
27 the secretary will accept statements for publication.

1 NEW SECTION. **Sec. 41.** BOARD TO ESTIMATE PUBLIC FUNDS NEEDED FOR
2 MATCHING FUNDS. The state election board shall, on an annual basis,
3 estimate the funding needed to provide public matching moneys for
4 election campaigns under this chapter. Each annual estimate shall
5 identify funding needs for each of the successive four years. The
6 board shall transmit its estimate to the legislature on December 20th
7 of each year.

8 NEW SECTION. **Sec. 42.** SEVERABILITY CLAUSE. If any provision of
9 this act or its application to any person or circumstance is held
10 invalid, the remainder of the act or the application of the provision
11 to other persons or circumstances is not affected.

12 NEW SECTION. **Sec. 43.** CODIFICATION DIRECTION. Sections 2 through
13 19, 26, and 41 of this act shall constitute a new chapter in Title 42
14 RCW.

15 NEW SECTION. **Sec. 44.** CODIFICATION DIRECTION. Sections 20
16 through 24 of this act are each added to chapter 42.17 RCW as a
17 subchapter and codified with the subchapter heading of "campaign
18 contribution limitations."

19 NEW SECTION. **Sec. 45.** SECTION HEADINGS. Section headings as used
20 in this act do not constitute any part of the law.

21 NEW SECTION. **Sec. 46.** Section 27 of this act shall take effect
22 July 1, 1992.

23 NEW SECTION. **Sec. 47.** Section 28 of this act shall expire July 1,
24 1992.