
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; creating new sections; prescribing penalties; providing an
7 effective date; and providing an expiration date.

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

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

11 (1) The integrity of the electoral process is essential to the
12 preservation of a free and democratic society. The central element of
13 this process is the unfettered exchange of ideas between citizens and
14 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 NEW SECTION. **Sec. 7.** LIMITATIONS ON EXPENDITURES FROM PERSONAL OR
13 FAMILY FUNDS. (1) A candidate who enters an expenditure limitation and
14 eligibility agreement under section 3 of this act for an election cycle
15 shall not make, during the election cycle, expenditures from the
16 personal funds of the candidate, or the funds contributed by any member
17 of the immediate family of the candidate, aggregating in excess of the
18 following:

19 (a) For a candidate for the office of governor, thirty thousand
20 dollars;

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

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

25 For the purposes of this subsection, a loan by a candidate or a
26 member of the immediate family of the candidate to the campaign of the
27 candidate shall be considered to be a campaign expenditure by the
28 candidate.

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

7 NEW SECTION. **Sec. 8.** VARIOUS CONTRIBUTION AND EXPENDITURE AMOUNTS
8 ADJUSTED FOR INFLATION. The threshold amounts established in section
9 3(2) of this act, the base amounts established in section 4(2) of this
10 act, the amounts in section 7(1) of this act, and the campaign
11 contribution limitations established in section 21 of this act shall be
12 increased or decreased by the board by rule at the beginning of each
13 odd-numbered year based on changes in economic conditions as reflected
14 in the inflationary index used by the public disclosure commission
15 under RCW 42.17.370. The base year to be used for revisions made under
16 this section is 1991.

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

25 NEW SECTION. **Sec. 9.** AMOUNT OF STATE FINANCIAL ASSISTANCE--NO
26 ASSISTANCE IF OPPOSITION IS PARTY TO EXPENDITURE LIMIT AGREEMENT. (1)
27 Except as provided in subsections (3) and (4) of this section, an

1 eligible candidate is entitled to payments from the state campaign
2 account equal to:

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

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

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

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

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

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

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

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

27 (c) To repay any loan to any person except to the extent the
28 proceeds of such loan were used to further the nomination or election
29 of the candidate.

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

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

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

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

25 (i) For the office of governor, two hundred twenty thousand
26 dollars;

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

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

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

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

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

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

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

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

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

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

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

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

23 NEW SECTION. **Sec. 11.** PROCEDURES FOR REQUESTING PAYMENT UNDER
24 EXPENDITURE LIMIT AGREEMENT. A candidate desiring payments from the
25 state campaign account shall file a request with the board which shall
26 contain:

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

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

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

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

15 The board may permit its executive director to approve requests
16 submitted under this section and make the disbursements authorized by
17 this chapter on behalf of the board and within guidelines adopted by
18 the board by rule.

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

20 Within two business days after the date of entering into a contract to
21 make or otherwise making an independent expenditure, the person making
22 the expenditure shall file with the board a report, on a form
23 prescribed by the board, providing the date and amount of the
24 expenditure; what the expenditure purchased; the name of the candidate
25 supported or opposed; the office sought by that candidate; and any
26 other information which the board believes will assist it in carrying
27 out its responsibilities under this chapter. The person entering into
28 a contract to make or otherwise making the independent expenditure
29 shall also mail, within two days of entering into the contract or

1 otherwise making the expenditure, a copy of the report to each
2 candidate for the office or offices for which the expenditure is made.

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

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

18 Positions five and six shall be filled by persons appointed by the
19 governor to represent the public interest generally. Persons appointed
20 to fill these two positions shall not be from the same political party.
21 Any person or organization may submit recommendations to the governor,
22 which may be considered by the governor in making the appointments to
23 these two positions. A person appointed to position five or six shall
24 not also be an elected public official nor may the person have held the
25 office of an elected public official in any of the six years prior to
26 his or her appointment.

27 The term of office of each member of the board is four years,
28 except that the term of office of one of the initial members shall be
29 one year, the term of two initial members shall be two years, and the

1 term of one other initial member shall be three years as designated by
2 the governor. The board shall notify the governor and any appropriate
3 nominating legislative leader regarding a vacancy created on the board
4 or the impending conclusion of a member's full term of office. The
5 governor shall make appointments to fill vacancies within thirty days
6 of their being created and shall make appointments to fill full terms
7 within thirty days of the expiration of a member's term.

8 Four members constitute a quorum for conducting the business of the
9 board.

10 The board is a class four group under the provisions of RCW
11 43.03.250 and members shall be compensated accordingly. In addition,
12 the members shall be reimbursed for travel expenses incurred while
13 engaged in the business of the board as provided in RCW 43.03.050 and
14 43.03.060.

15 NEW SECTION. **Sec. 14.** ELECTION BOARD DUTIES. The state election
16 board shall:

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

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

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

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

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

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

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

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

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

21 NEW SECTION. **Sec. 15.** ELECTION BOARD PROVIDES CAMPAIGN FINANCING
22 PAYMENTS--APPEAL FROM ADVERSE BOARD DECISION. (1) The board shall
23 decide all applications for payment from the state campaign account.
24 Each application shall be decided in accordance with rules adopted by
25 the board, and the board's decision on the application shall be final
26 unless appealed as provided in subsection (2) of this section. The
27 board's review of applications, and all actions taken by the board on
28 applications, shall be exempt from chapter 34.05 RCW.

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

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

21 NEW SECTION. **Sec. 17.** EXAMINATION AND AUDITS--RETURN OF UNSPENT
22 MATCHING FUNDS. (1) The public disclosure commission and the board
23 shall jointly develop and approve a program for providing staff support
24 to the board which shall include, but shall not be limited to, a
25 program for auditing the campaign accounts of candidates who accept
26 public funding under this chapter.

27 (2) After each general election, the board shall conduct such
28 examinations and audits of the campaign accounts of eligible candidates

1 and of authorized committees as are sufficient to determine, among
2 other things, whether candidates have complied with the expenditure
3 limits and other conditions of eligibility and requirements of this
4 chapter.

5 (3) The board shall require candidates to return to the board any
6 unexpended funds received by the candidates under this chapter. The
7 board may adopt exceptions to this requirement for instances where
8 debts are in dispute.

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

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

16 (2) It is a violation of this chapter for any candidate or for any
17 officer, member, employee, or agent of a political committee for the
18 candidate:

19 (a) To use or transfer funds for any purpose prohibited by section
20 9(2) of this act;

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

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

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

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

27 (a) To furnish to the board or to the public disclosure commission
28 under this chapter any evidence, books, or information (including any
29 certification, verification, notice, or report), which is false,

1 fictitious, or fraudulent, or to include in any evidence, books, or
2 information so furnished any misrepresentation of a material fact, or
3 to falsify or conceal any evidence, books, or information relevant to
4 a payment by the board or an examination or audit by the board or the
5 commission under this chapter; or

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

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

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

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

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

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

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

23 (2) The board is authorized to prescribe such rules in accordance
24 with chapter 34.05 RCW, to conduct such examinations and
25 investigations, and to require the keeping and submission of such
26 books, records, and information, as it deems necessary to carry out the
27 functions and duties imposed on it by this chapter.

1 NEW SECTION. **Sec. 20.** DEFINITIONS--CAMPAIGN CONTRIBUTION

2 LIMITATIONS. Unless the context clearly requires otherwise, the
3 definitions in section 2 of this act apply to this subchapter. Unless
4 the context clearly requires otherwise, the definitions in RCW
5 42.17.020 also apply to this subchapter except as they are modified by
6 the definitions in section 2 of this act.

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

11 NEW SECTION. **Sec. 21.** CAMPAIGN CONTRIBUTION LIMITS. (1) No

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

20 (2) No person, other than a multicandidate political committee or
21 a bona fide political party or a caucus of the state legislature, may
22 make contributions during a recall campaign which in the aggregate
23 exceed: (a) One thousand dollars to any state legislator against whom
24 recall charges have been filed or to any political committee having the
25 expectation of making expenditures in support of the recall of any
26 state legislator; or (b) five thousand dollars to any state executive
27 officer against whom recall charges have been filed or to any political
28 committee having the expectation of making expenditures in support of
29 the recall of such a state executive officer. No state official

1 against whom recall charges have been filed, no authorized committee of
2 such an official, and no political committee having the expectation of
3 making expenditures in support of the recall of any state official may
4 accept contributions from a person which exceed the contribution
5 limitation provided by this subsection for that person.

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

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

29 (5) No bona fide political party and no caucus of the state
30 legislature may make contributions during an election cycle which in

1 the aggregate exceed: (a) Five thousand dollars to any candidate for
2 state legislative office; or (b) ten thousand dollars to any candidate
3 for any state executive office. No candidate and no authorized
4 committee of a candidate may accept contributions from a bona fide
5 political party or from a caucus of the state legislature which exceed
6 the contribution limitation provided by this subsection for that party
7 or caucus.

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

24 (7) For the purposes of this subchapter, a contribution to the
25 authorized political committee of a candidate, or of a state official
26 against whom recall charges have been filed, shall be considered to be
27 a contribution to the candidate or state official.

28 (8) Any contribution received within the twelve-month period
29 following a general election for a state office or for a recall
30 election concerning a state office shall be considered to be a

1 contribution during the election cycle ending with that election or
2 during that recall campaign if the contribution is used to pay any debt
3 or obligation incurred to influence the outcome of that election or the
4 primary conducted for that election or of that recall campaign.

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

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

20 (10) No state legislator, or authorized political committee for
21 such legislator, may, during the course of a regular session of the
22 legislature, accept a campaign contribution for a state legislative
23 office from any person. The provisions of this subsection do not apply
24 during a recall campaign to a state legislator against whom recall
25 charges have been filed pursuant to RCW 29.82.015.

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

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

3 (2) The funds, goods, or services contributed are owned or
4 controlled exclusively by the child, such as income earned by the
5 child, the proceeds of a trust for which the child is the beneficiary,
6 or a savings account opened and maintained exclusively in the child's
7 name; and

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

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

20 (2) Without in any manner limiting its scope and effect, the
21 general rule under subsection (1) of this section or under section
22 10(4)(c) of this act means that:

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

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

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

4 (a) Ownership of a controlling interest in voting shares or
5 securities;

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

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

12 (d) Similar patterns of contributions; and

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

14 NEW SECTION. **Sec. 24.** ADDITIONAL RULES FOR DETERMINING
15 CONTRIBUTOR. All contributions made by a person, either directly or
16 indirectly, to a candidate, to a state official against whom recall
17 charges have been filed, or to a political committee expecting to make
18 expenditures in support of the recall of a state official shall be
19 considered to be contributions from such person to the candidate, state
20 official, or political committee, as shall contributions which are in
21 any way earmarked or otherwise directed through an intermediary or
22 conduit to the candidate, state official, or political committee. For
23 purposes of this section, "earmarked" means a designation, instruction,
24 or encumbrance, whether direct or indirect, express or implied, or oral
25 or written, which is intended to result in or which does result in all
26 or any part of a contribution being made to a certain candidate or
27 state official. If a conduit or intermediary exercises any direction
28 or control over the choice of the recipient candidate or state

1 official, the contribution shall be considered to be by both the
2 original contributor and the conduit or intermediary.

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

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

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

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

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

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

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

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

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

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

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

28 (4) When the candidacy is for:

29 ~~((1))~~ (a) A legislative or judicial office that includes
30 territory from more than one county, the fee shall be paid to the

1 secretary of state for equal division between the treasuries of the
2 counties comprising the district.

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

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

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

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

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

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

3 (4) When the candidacy is for:

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

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

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

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

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

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

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

24 ~~((2))~~ (b) Transfer the surplus to the candidate's personal
25 account as reimbursement for lost earnings incurred as a result of that
26 candidate's election campaign. Such lost earnings shall be verifiable
27 as unpaid salary or, when the candidate is not salaried, as an amount
28 not to exceed income received by the candidate for services rendered
29 during an appropriate, corresponding time period. All lost earnings

1 incurred shall be documented and a record thereof shall be maintained
2 by the candidate or the candidate's political committee. The committee
3 shall include a copy of such record when its expenditure for such
4 reimbursement is reported pursuant to RCW 42.17.090;

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

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

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

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

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

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

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

28 (a) Exceeds five hundred dollars;

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

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

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

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

12 (3) Except as provided in subsection (4) of this section, the
13 special report required by this section shall be delivered in written
14 form, including but not limited to mailgram, telegram, or nightletter.
15 The special report required by subsection (1) of this section shall be
16 delivered to the commission within forty-eight hours of the time, or on
17 the first working day after, the contribution is received by the
18 candidate or campaign treasurer. The special report required by
19 subsection (2) of this section and RCW 42.17.175 shall be delivered to
20 the commission, and the candidate or political committee to whom the
21 contribution is made, within twenty-four hours of the time, or on the
22 first working day after, the contribution is made.

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

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

29 (a) The amount of the contribution;

30 (b) The date of receipt;

- 1 (c) The name and address of the donor;
- 2 (d) The name and address of the recipient; and
- 3 (e) Any other information the commission may by rule require.
- 4 (6) Contributions reported under this section shall also be
- 5 reported as required by other provisions of this chapter.
- 6 (7) The commission shall publish daily a summary of the special
- 7 reports made under this section and RCW 42.17.175.
- 8 (8) It is a violation of this chapter for any person to make, or
- 9 for any candidate or political committee to accept from any one person,
- 10 contributions reportable under RCW 42.17.090 in the aggregate exceeding
- 11 (~~fifty thousand dollars for any campaign for state wide office or~~
- 12 ~~exceeding~~) five thousand dollars for any (~~other~~) campaign subject to
- 13 the provisions of this chapter within twenty-one days of a general
- 14 election. This subsection does not apply to: Campaigns for which
- 15 contributions are regulated under section 21 of this act; or
- 16 contributions made by, or accepted from, a major Washington state
- 17 political party as defined in RCW 29.01.090.

18 **Sec. 31.** RCW 42.17.390 and 1973 c 1 s 39 are each amended to read

19 as follows:

20 PENALTIES FOR VIOLATION OF CONTRIBUTION LIMITS. (1) One or more of

21 the following civil remedies and sanctions may be imposed by court

22 order in addition to any other remedies provided by law:

23 (a) If the court finds that the violation of any provision of this

24 chapter by any candidate or political committee probably affected the

25 outcome of any election, the result of said election may be held void

26 and a special election held within sixty days of such finding. Any

27 action to void an election shall be commenced within one year of the

28 date of the election in question. It is intended that this remedy be

1 imposed freely in all appropriate cases to protect the right of the
2 electorate to an informed and knowledgeable vote.

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

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

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

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

21 (f) The court may enjoin any person to prevent the doing of any act
22 herein prohibited, or to compel the performance of any act required
23 herein.

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

26 COMMISSION TO ADOPT FEE SCHEDULE. (1) The commission is authorized
27 to adopt a fee schedule for the filing of reports, statements, and
28 registrations with the commission. The schedule shall be adequate to
29 recover for the state a portion of the commission's appropriation as

1 such portion is designated in the legislature's operating budget for
2 the commission. The commission is vested with broad authority to set
3 fees and to adopt rules that facilitate their payment. The commission
4 shall not impose any fee on the filing of: Reports of contribution
5 deposits required under RCW 42.17.080(3); or registrations or reports
6 required for lobbying activities which are filed by any person who
7 conducts his or her lobbying activities without compensation.

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

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

17 NEW SECTION. **Sec. 33.** A new section is added to chapter 42.17 RCW
18 to read as follows:

19 COMMISSION TO PROVIDE STAFF FOR BOARD. The commission and the
20 state election board created in section 13 of this act shall jointly
21 adopt a program for providing staff support for the board for
22 implementing the board's responsibilities under chapter 42.-- RCW
23 (sections 2 through 19, 26, and 39 of this act). The program shall
24 provide, but shall not be limited to providing, support for conducting
25 examinations and audits under section 17 of this act.

26 **Sec. 34.** RCW 43.03.028 and 1988 c 167 s 9 are each amended to read
27 as follows:

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

14 (2) The committee shall study the duties and salaries of the
15 directors of the several departments and the members of the several
16 boards and commissions of state government, who are subject to
17 appointment by the governor or whose salaries are fixed by the
18 governor, and of the chief executive officers of the following agencies
19 of state government:

20 The arts commission; the human rights commission; the board of
21 accountancy; the board of pharmacy; the capitol historical association
22 and museum; the eastern Washington historical society; the Washington
23 state historical society; the interagency committee for outdoor
24 recreation; the criminal justice training commission; the department of
25 personnel; the state election board; the state finance committee; the
26 state library; the traffic safety commission; the horse racing
27 commission; the advisory council on vocational education; the public
28 disclosure commission; the hospital commission; the state conservation
29 commission; the commission on Hispanic affairs; the commission on
30 Asian-American affairs; the state board for volunteer ((firemen)) fire

1 fighters; the transportation improvement board; the public
2 ((employees)) employment relations commission; the forest practices
3 appeals board; and the energy facilities site evaluation council.

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

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

12 NEW SECTION. Sec. 35. CONTRIBUTIONS BEFORE EFFECTIVE DATE NOT
13 SUBJECT TO CONTRIBUTION LIMITS. Contributions made and received before
14 the effective date of this section shall not be considered to be
15 contributions under the provisions of sections 20 through 25 of this
16 act and the 1991 amendments to RCW 42.17.390 contained in section 31,
17 chapter .., Laws of 1991 (section 31 of this act).

18 NEW SECTION. Sec. 36. CONTRIBUTIONS BEFORE EFFECTIVE DATE NOT
19 SUBJECT TO CAMPAIGN FINANCING PROVISIONS. Contributions received
20 before the effective date of this section shall not be considered to be
21 contributions under the provisions of chapter 42.--- RCW (sections 2
22 through 19, 26, and 39 of this act).

23 NEW SECTION. Sec. 37. A new section is added to chapter 34.05 RCW
24 to read as follows:

25 ADMINISTRATIVE PROCEDURE ACT NOT APPLICABLE. This chapter shall
26 not apply to any action taken by the state election board under section

1 15 of this act on applications for payments from the state election
2 campaign account.

3 NEW SECTION. **Sec. 38.** A new section is added to chapter 29.80
4 RCW to read as follows:

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

19 NEW SECTION. **Sec. 39.** BOARD TO ESTIMATE PUBLIC FUNDS NEEDED FOR
20 MATCHING FUNDS. The state election board shall, on an annual basis,
21 estimate the funding needed to provide public matching moneys for
22 election campaigns under this chapter. Each annual estimate shall
23 identify funding needs for each of the successive four years. The
24 board shall transmit its estimate to the legislature on December 20th
25 of each year.

26 NEW SECTION. **Sec. 40.** SEVERABILITY CLAUSE. If any provision of
27 this act or its application to any person or circumstance is held

1 invalid, the remainder of the act or the application of the provision
2 to other persons or circumstances is not affected.

3 NEW SECTION. **Sec. 41.** CODIFICATION DIRECTIONS. Sections 2
4 through 19, 26, and 39 of this act shall constitute a new chapter in
5 Title 42 RCW.

6 NEW SECTION. **Sec. 42.** CODIFICATION DIRECTIONS. Sections 20
7 through 24 of this act are each added to chapter 42.17 RCW as a
8 subchapter and codified with the subchapter heading of "campaign
9 contribution limitations."

10 NEW SECTION. **Sec. 43.** SECTION HEADINGS. Section headings as used
11 in this act do not constitute any part of the law.

12 NEW SECTION. **Sec. 44.** Section 27 of this act shall take effect
13 July 1, 1992.

14 NEW SECTION. **Sec. 45.** Section 28 of this act shall expire July 1,
15 1992.