
HOUSE BILL 1640

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Locke, Prince, Dellwo and Brough.

Read first time February 5, 1991. Referred to Committee on State Government\Appropriations.

1 AN ACT Relating to campaign financing; amending RCW 42.17.030,
2 42.17.095, 42.17.390, and 42.17.510; adding new sections to chapter
3 42.17 RCW; creating a new subchapter in chapter 42.17 RCW; creating a
4 new section; repealing RCW 42.17.100, 42.17.105, and 42.17.175; making
5 an appropriation; prescribing penalties; and providing an effective
6 date.

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

8 NEW SECTION. **Sec. 1.** The legislature declares as the public
9 policy of the state of Washington, and finds that:

10 (1) Limitations on political contributions are necessary to: (a)
11 Prevent corruption and the appearance of corruption; (b) prevent the
12 appearance of large contributors obtaining disproportionate influence
13 over the decisions of elected representatives; and (c) promote the
14 participation and feelings of efficacy of individual citizens of this
15 state in the election process;

1 (2) Limitations on campaign expenditures will prevent
2 disproportionately expensive campaigns while encouraging greater
3 participation in the election process;

4 (3) The costs of campaigns for elective offices and the size of
5 contributions to candidates have skyrocketed in recent years without
6 any benefit to public knowledge of the candidates;

7 (4) Historically the largest campaign contributions have come from
8 economic special interest groups who seem to want to buy influence and
9 access for their relatively narrow points of view; such narrow economic
10 interests are not always in the best interests of the general public,
11 nor are they usually balanced by contributions from public interest
12 groups or other special interest groups;

13 (5) The solicitation, donation, and acceptance of large sums for
14 political campaign purposes has a pernicious, debilitating effect on
15 the political process even when no law is broken and even if no direct
16 quid pro quo is evident. No citizen or group of citizens should find
17 it necessary to contribute large sums in order that legitimate concerns
18 be heard. Conversely no public servant should be placed in the
19 position of depending on large donations from persons or groups whose
20 special interests may not correspond with the public good;

21 (6) The use of out-of-state or out-of-district campaign
22 contributions as indirect votes to influence the results of elections
23 is eroding our one-person-one-vote representative democracy; and

24 (7) A citizen's rights of free speech and expression must be
25 balanced with the possible corruption of public officials inherent in
26 making campaign contributions. These rights are not infringed by the
27 reasonable limitations on political contributions contained in section
28 6 of this act.

1 NEW SECTION. **Sec. 2.** The definitions under RCW 42.17.020
2 apply to this chapter except as modified by this section. Unless the
3 context clearly requires otherwise, the definitions in this section
4 apply throughout sections 6 through 11 of this act.

5 (1) "Candidate" means an individual seeking nomination for election
6 or seeking election to a public office. An individual is deemed to be
7 seeking nomination for election or seeking election when the individual
8 first:

9 (a) Receives contributions or makes expenditures or reserves space
10 or facilities with intent to promote his or her candidacy for office;

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

12 (c) Authorizes another person to act on behalf of the individual in
13 performing any of the actions in (a) of this subsection.

14 (2)(a) "Contribution" includes a loan, gift, deposit, subscription,
15 forgiveness of indebtedness, donation, advance, pledge, payment,
16 transfer of funds between political committees, or transfer of anything
17 of value, including personal and professional services for less than
18 full consideration.

19 (b) Subject to further definition by the commission, "contribution"
20 shall not include the following:

21 (i) Interest on moneys deposited in a political committee's
22 account;

23 (ii) Ordinary home hospitality;

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

27 (iv) Government payments or services for the purpose of public
28 financing of election campaigns;

29 (v) Any expenditure for voter registration, for absentee ballot
30 information, for precinct caucuses, for get-out-the-vote campaigns, for

1 precinct judges or inspectors, or for ballot counting, all without
2 promotion of or political advertising for individual candidates;

3 (vi) Any expenditure for sample ballots, listing all or
4 substantially all candidates and ballot issues that will appear on a
5 coming election ballot, listing all candidates and their political
6 party affiliations for each office mentioned, and perhaps also denoting
7 political committee endorsements, but with no other descriptive
8 information about the candidates;

9 (vii) Any news, feature, commentary, or editorial in a regularly
10 scheduled news medium that is of primary interest to the general
11 public, that is in a news medium controlled by a person whose primary
12 business is that news medium, and that is not controlled by any
13 candidate or political committee;

14 (viii) Any expenditure by a political committee for its own
15 internal organization or fund raising without direct association with
16 individual candidates;

17 (ix) Any internal political communication primarily limited to the
18 contributors to a political party organization or political action
19 committee, or the officers, management staff, and stockholders of a
20 corporation or similar enterprise, or the members of a labor
21 organization or other membership organization; or

22 (x) The rendering of personal services of the sort commonly
23 performed by volunteer campaign workers, or incidental expenses
24 personally incurred by volunteer campaign workers not in excess of
25 fifty dollars personally paid for by the worker. Volunteer services,
26 for the purposes of this section, means services or labor for which the
27 individual is not compensated by any person.

28 (c) Contributions other than money or its equivalent shall be
29 deemed to have a monetary value equivalent to the fair market value of
30 the contribution.

1 (d) Sums paid for tickets to fund-raising events such as dinners
2 and parties are contributions. However, the amount of such
3 contributions may equal the cost of the ticket less the actual cost of
4 the consumables furnished at the event.

5 (e) An expenditure made by a person in cooperation, consultation,
6 or concert with, or at the request or suggestion of, a candidate, a
7 political committee, or their agents, is considered to be a
8 contribution to such candidate or political committee.

9 (f) The financing by a person of the dissemination, distribution,
10 or republication, in whole or in part, of broadcast, written, graphic,
11 or other form of political advertising prepared by a candidate, a
12 political committee, or their authorized agents, is considered to be a
13 contribution to the candidate or political committee.

14 NEW SECTION. **Sec. 3.** Unless the context clearly requires
15 otherwise, the definitions in this section apply throughout this
16 chapter.

17 (1) "Authorized committee" means a political committee authorized
18 by a candidate, or by the elected official against whom recall charges
19 have been filled, to accept contributions or make expenditures on
20 behalf of the candidate or elected official under RCW 42.17.050.

21 (2) "Ballot proposition committee" means a political committee
22 acting only in support of, or in opposition to, the qualification,
23 passage, or defeat of a ballot proposition. A ballot proposition
24 committee may not receive contributions or make expenditures for the
25 purpose of influencing or attempting to influence the action of the
26 voters for or against the nomination or election of any candidate or
27 the recall of any public official.

28 (3) "Bona fide political party" means either an organization that
29 has filed a valid certificate of nomination with the secretary of state

1 under chapter 29.24 RCW, or the governing body of the state
2 organization of a major political party, as defined in RCW 29.01.090,
3 that shall be the body authorized by the charter or bylaws of the party
4 to exercise authority on behalf of the state party.

5 (4) "Campaign period" means the time beginning January 1 in the
6 year of the election for the office or seat that the candidate seeks
7 and ending when the polls close for the general election for the office
8 or seat. However, in the case of state-wide offices or congressional
9 offices, the campaign period begins January 1 in the year previous to
10 the year of the election for that office. In the case of a special
11 election to fill a vacancy in an office, the period means the time
12 beginning on the day the vacancy occurs and ending when the polls close
13 for the special election. If a candidate has debt remaining after the
14 general or special election, then the campaign period ends ninety days
15 after the date of the election or when the candidate has retired that
16 percentage of debt that he or she is allowed to retire under RCW
17 42.17.095, whichever occurs first.

18 (5) "Corporation" includes any private or public association or
19 proprietorship that is organized for profit or not for profit.

20 (6) "Eligible registered voters" means those persons registered in
21 accordance with Title 29 RCW who are eligible to vote on the day
22 candidate filing opens for the applicable public office or on the day
23 a recall petition is filed.

24 (7) "General election" means the election which directly results in
25 the election of a person to a public office. It does not include a
26 primary.

27 (8) "Gift" includes a loan, deposit, service, subscription,
28 forgiveness of indebtedness, donation, advance, pledge, payment, or
29 transfer of funds or anything of value. The term does not include:

30 (a) A contribution that is reported under this chapter;

1 (b) Informational material that is transferred for the purpose of
2 informing the recipient about matters pertaining to official government
3 business, and that is not intended to financially benefit the
4 recipient;

5 (c) A symbolic presentation that is customarily given or publicly
6 presented and that is of de minimis monetary value; or

7 (d) Customary and reasonable hosting in the form of meals,
8 refreshments, and incidental entertainment furnished in connection with
9 official appearances or official ceremonies, except when such hosting
10 is continuous in nature or when a particular course of action is to be
11 followed as a condition thereof.

12 The commission may define or further limit these exclusions by
13 rule.

14 (9) "Honorarium" means a payment made in recognition of gratuitous,
15 professional, or occupational services such as published works,
16 appearances, speeches, or presentations and that is not intended as
17 consideration for the value of such services. The term does not
18 include tokens presented or provided that are of de minimis monetary
19 value.

20 (10) "Independent expenditure" means an expenditure that has each
21 of the following elements:

22 (a) It is not required to be reported as a contribution to a
23 candidate or ballot proposition committee under this chapter;

24 (b)(i) The expenditure is made in support of or opposition to a
25 candidate for office by a person who is not the candidate's opponent or
26 the opponent's authorized committee; or (ii) the expenditure is made in
27 support of or opposition to a ballot proposition by a person who is not
28 a member of a ballot proposition committee for or against that ballot
29 proposition;

1 (c) The expenditure pays in whole or in part for any political
2 advertising that either specifically names the candidate or ballot
3 proposition supported or opposed, or clearly and convincingly
4 identifies the candidate or ballot proposition without using the name
5 of the candidate or ballot proposition; and

6 (d) The expenditure, alone or in conjunction with other
7 expenditures in support of or opposition to that candidate or ballot
8 proposition, has a value of one hundred dollars or more. A sequence of
9 expenditures each of which is less than one hundred dollars constitutes
10 one independent expenditure as of the time that the last expenditure
11 brings the total value of the sequence to three hundred dollars or
12 more. No expenditure in a sequence that has been reported to the
13 commission under section 5 of this act may be considered as part of a
14 future independent expenditure.

15 However, any expenditure, that meets (b) or (c) of this subsection
16 and is made with the encouragement, approval, or collaboration of a
17 candidate or the candidate's authorized committee or of a ballot
18 proposition committee, is not an independent expenditure, but is a
19 contribution to that candidate or ballot proposition committee.

20 (11) "Labor organization" means a trade association or an
21 organization, agency, association, union, or employee committee that
22 exists for the purpose, in whole or in part, of representing employees
23 in dealings with employers concerning grievances, labor disputes,
24 wages, rates of pay, hours of employment, or conditions of work.

25 (12) "Political action committee" means a committee organized for
26 political purposes that is not an authorized committee, political party
27 organization, or ballot proposition committee.

28 (13) "Political party organization" means:

29 (a) A bona fide political party;

1 (b) A county central committee of a party as provided in RCW
2 29.42.030; or

3 (c) An organization presided over by a legislative district chair
4 as provided in RCW 29.42.070.

5 (14) "Primary" means the procedure for nominating a candidate to
6 public office under chapter 29.18 or 29.21 RCW or any other primary for
7 an election that uses, in large measure, the procedures established in
8 chapter 29.18 or 29.21 RCW.

9 (15) "Public official" means any person who is elected or appointed
10 to a public office.

11 (16) "Recall campaign period" means the period of time beginning on
12 the date of the filing of recall charges under RCW 29.82.015 and ending
13 when the polls close for the recall election. If a public official
14 whose recall has been sought has debt remaining after the recall
15 election, then the campaign period ends ninety days after the date of
16 the election or when the official retires that percentage of debt that
17 he or she is allowed to retire under RCW 42.17.095, whichever occurs
18 first.

19 (17) "Recall committee" means a committee organized for political
20 purposes acting in support of the qualification or passage of the
21 recall of a public official.

22 **Sec. 4.** RCW 42.17.030 and 1987 c 295 s 18 are each amended to read
23 as follows:

24 The provisions of this chapter relating to the financing of
25 election campaigns shall apply in all election campaigns other than (1)
26 for precinct committee officer; (2) for a federal elective office; and
27 (3) for an office of a political subdivision of the state that does not
28 encompass a whole county and that contains fewer than five thousand
29 registered voters as of the date of the most recent general election in

1 the subdivision, unless required by RCW 42.17.405(2) through (5).
2 However, the campaign contribution limitation provisions of sections 6
3 through 11 of this act, except where expressly superseded by federal
4 law, apply to all election campaigns in the state of Washington.
5 Sections 6 through 11 of this act do not apply to election campaigns
6 for public offices to the extent that the political subdivision has
7 provided for smaller campaign contribution limitations. All candidates
8 and political committees, even though exempt from the reporting
9 requirements of this chapter, must keep records sufficient to fulfill
10 the reporting requirements and provide these records to the commission
11 upon the written request of the commission.

12 NEW SECTION. Sec. 5. (1) Within five business days after the
13 date of making an independent expenditure, the person making the
14 expenditure shall file a report with the commission and the election
15 officer of the county in which the person resides. The report shall be
16 on a form prescribed by the commission providing: The person's name,
17 address, occupation, and employer; the date and amount of the
18 expenditure; what the expenditure purchased; the name of the candidate
19 or ballot proposition supported or opposed; the office sought by that
20 candidate; and any other information that the commission believes will
21 assist it in carrying out its responsibilities under this chapter.

22 (2) A person making an independent expenditure by mailing one
23 thousand or more identical or nearly identical cumulative pieces of
24 political advertising in a single calendar year shall, within five
25 business days after the time of the mailing, file an example of the
26 mailed political advertising with the commission and the election
27 officer of the county in which the person resides.

1 NEW SECTION. **Sec. 6.**

2 (1) No person may make contributions to
3 a candidate, and no candidate may accept contributions, except during
4 the campaign period for the election for which contributions are
5 accepted or made. No person shall make contributions to an elected
6 official against whom recall charges have been or are expected to be
7 filed, except during the recall campaign period for the purpose of
8 opposing the recall.

9 (2) No person, other than a political party organization, may make
10 contributions during a campaign period that in the aggregate exceed
11 three hundred fifty dollars to any candidate. No candidate may accept
12 contributions from a person that exceed the contribution limitations
13 provided by this subsection for that person.

14 (3) During a recall campaign period no person, other than a
15 political party organization, may make contributions that in the
16 aggregate exceed three hundred fifty dollars to any elected official
17 against whom recall charges have been filed or to all recall committees
18 in support of the recall of such official. No elected official against
19 whom recall charges have been filed, and no recall committee, may
20 accept contributions from a person that exceed the contribution
21 limitation provided by this subsection for that person.

22 (4) During a campaign period, no candidate may accept contributions
23 from all political party organizations that in aggregate exceed forty
24 cents multiplied by the number of eligible registered voters in the
25 jurisdiction.

26 (5) During a recall campaign period no elected official against
27 whom recall charges have been filed, and no recall committee, may
28 accept contributions from all political party organizations that in
29 aggregate exceed forty cents multiplied by the number of eligible
registered voters in the jurisdiction. During a recall campaign period

1 no political party organization may contribute to more than one recall
2 committee.

3 (6)(a) The contributions allowed by subsection (3) of this section
4 during a recall campaign period are in addition to those allowed by
5 subsection (2) of this section during an election campaign period. The
6 contributions allowed by subsection (5) of this section during a recall
7 campaign period are in addition to those allowed by subsection (4) of
8 this section during an election campaign period.

9 (b) Sections 6 through 11 of this act apply to a special election
10 conducted to fill a vacancy in a public office. However, the
11 contributions made to a candidate or received by a candidate for a
12 primary or special election conducted to fill such a vacancy do not
13 count toward any of the limitations that apply to the candidate or to
14 contributions made to the candidate under sections 6 through 11 of this
15 act for any other primary or election.

16 (7) For the purposes of this chapter, a contribution to the
17 authorized committee of a candidate or of an elected official against
18 whom recall charges have been filed, is considered to be a contribution
19 to the candidate or elected official.

20 (8) No authorized committee may contribute to another candidate,
21 authorized committee, or political committee, either directly or
22 indirectly, except as provided in RCW 42.17.095 for surplus funds. A
23 candidate shall not accept a contribution from another candidate's
24 authorized committee.

25 (9) Except with respect to loans made in the ordinary course of
26 business, no corporation, partnership, government-regulated
27 cooperative, or labor organization may make a contribution reportable
28 under this chapter, other than a contribution to a ballot proposition
29 committee, except that such an entity may contribute any amount to a
30 single political action committee that is organized by that entity in

1 accordance with RCW 42.17.040 through 42.17.060. Such contributions
2 must be reported at least annually to the stockholders or members of
3 the entity. Nothing in this section or in section 8 or 9 of this act
4 prohibits a political action committee, even if controlled by a
5 corporation, partnership, government-regulated cooperative, or labor
6 organization, from contributing to a candidate. No candidate or
7 political committee may accept a contribution in violation of this
8 subsection.

9 (10)(a) No person who is not an individual may contribute to a
10 political action committee, either directly or indirectly, except as
11 provided by subsection (9) of this section.

12 (b) No individual may make contributions to a political action
13 committee that in aggregate exceed three hundred fifty dollars during
14 a calendar year.

15 (c) No political action committee may accept contributions from a
16 person that exceed the limitations of this subsection for that person.

17 (11) No person may make contributions to a political party
18 organization that in aggregate exceed three thousand five hundred
19 dollars during a calendar year. No political party organization may
20 accept contributions from a person which exceed the limitations of this
21 subsection.

22 (12) Notwithstanding subsections (1) through (11) of this section,
23 no person residing outside the state of Washington may contribute to a
24 candidate or political committee required to report under RCW 42.17.060
25 through 42.17.090, except to a ballot proposition committee. No
26 candidate or political committee may accept a contribution that is
27 prohibited by this subsection.

28 (13) Notwithstanding subsections (1) through (12) of this section,
29 a political party organization or political action committee must have
30 received during the previous one hundred eighty days contributions of

1 ten dollars or more from at least ten registered voters residing within
2 the community of interest for an elective office in order to be
3 permitted to make contributions to a candidate for that office, to an
4 elected official in that office against whom recall charges have been
5 filed, or to a recall committee relating to that office. No candidate,
6 elected official, or recall committee may knowingly accept a
7 contribution that is prohibited by this subsection. The "community of
8 interest" for an elective office is defined as:

9 (a) For state-wide offices, the entire state of Washington;

10 (b) For municipal offices, the area within the municipal
11 boundaries;

12 (c) For congressional, legislative, and all other offices, all
13 counties that have boundaries overlapping the district with voters
14 eligible to vote for the office.

15 (14) Notwithstanding subsections (1) through (13) of this section,
16 no political action committee may make contributions or expenditures
17 that are not in compliance with section 20 of this act.

18 (15) No candidate may accept contributions from persons who are not
19 individuals or political party organizations that in aggregate exceed,
20 on the date of filing any of the reports required under RCW 42.17.080,
21 one-third of the total of all contributions received by the candidate
22 during the campaign period. No elected official against whom recall
23 charges have been filed and no recall committee may accept
24 contributions from persons who are not individuals or political party
25 organizations that in the aggregate exceed one-third of the total of
26 all contributions received by the elected official or recall committee
27 during the recall campaign period.

28 NEW SECTION. **Sec. 7.** Any contribution by a child under
29 eighteen years of age shall be treated as a contribution by his or her

1 parents and attributed to both parents unless the contribution meets
2 all of the following criteria:

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

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

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

13 NEW SECTION. **Sec. 8.** (1) For purposes of this chapter, a
14 contribution by a person controlled by any other person is a
15 contribution by the controlling person. A contribution to a person
16 controlled by another person is a contribution to the controlling
17 person. This does not apply to the relationship between an individual
18 and the spouse of the individual or to the relationship between a bona
19 fide political party and a district or county organization of that
20 party or a caucus of the state legislature of the members of that
21 party.

22 (2) Contributions governed by subsection (1) of this section
23 include but are not limited to:

24 (a) A contribution by a subsidiary, branch, division, department,
25 or local unit of an association is considered to have been made by the
26 association; and

27 (b) A contribution by a political committee controlled by a person
28 is 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, remove, or influence the decision of the officers or
11 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. 9.** All contributions made by a person,
15 either directly or indirectly, to a candidate, to an elected official
16 against whom recall charges have been filed, or to a political
17 committee, are considered to be contributions from that person to the
18 candidate, elected official, or political committee, as are
19 contributions that are in any way earmarked or otherwise directed
20 through an intermediary or conduit to the candidate, elected official,
21 or political committee. For purposes of this section, "earmarked"
22 means a designation, instruction, or encumbrance, whether direct or
23 indirect, expressed or implied, or oral or written, that is intended to
24 result in or that does result in all or any part of a contribution
25 being made to a certain candidate or elected official. If a conduit or
26 intermediary exercises any direction or control over the choice of the
27 recipient candidate or elected official, the contribution is considered
28 to be by both the original contributor and the conduit or intermediary.

1 NEW SECTION. **Sec. 10.** (1) A political committee controlled by
2 a caucus of the state legislature shall not make or receive any
3 contribution reportable under this chapter.

4 (2) During the period beginning fifteen days before the date a
5 regular legislative session convenes and continuing thirty days past
6 the date of final adjournment, and during the period beginning on the
7 date a special legislative session convenes and continuing through the
8 date that session adjourns, no state-wide elected official or state
9 legislator may solicit or accept contributions to a campaign fund or
10 political committee.

11 (3) During a campaign period for a state legislative office, no
12 incumbent to that office may mail to a constituent at public expense a
13 letter, newsletter, brochure, or other piece of literature that is not
14 in direct response to that constituent's request for a response or for
15 information. However, one mailing within thirty days after the start
16 of a regular legislative session and one mailing within sixty days
17 after the end of a regular legislative session, of identical
18 newsletters to constituents are permitted. A violation of this
19 subsection constitutes use of the facilities of a public office for the
20 purpose of assisting a campaign under RCW 42.17.130.

21 NEW SECTION. **Sec. 11.** (1) No employer or labor organization
22 may increase the salary of an officer or employee, or give an emolument
23 to an officer, employee, or other person, with the intention that the
24 increase in salary, or the emolument, or a part of it, be contributed
25 or spent to support or oppose any candidate, ballot proposition,
26 political party, or political committee.

27 (2) No employer or labor organization may discriminate against an
28 officer or employee in the terms or conditions of employment for (a)
29 the failure to contribute to, (b) the failure in any way to support or

1 oppose, or (c) in any way supporting or opposing a candidate, ballot
2 proposition, political party, or political committee.

3 (3) No employer or other person responsible for the disbursement of
4 funds in payment of wages or salaries may withhold or divert any
5 portion of an employee's wages or salaries for contributions to
6 political committees except upon the written request of the employee.
7 The request must be made on a form prescribed by the commission
8 informing the employee of the prohibition against employer and labor
9 organization discrimination described in subsection (2) of this
10 section.

11 (4) Each person who withholds contributions under subsection (3) of
12 this section shall maintain open for public inspection for a period of
13 no less than three years, during normal business hours, documents and
14 books of accounts that shall include a copy of each employee's request,
15 the amounts and dates funds were actually withheld, and the amounts and
16 dates funds were transferred to a political committee. Copies of such
17 information shall be delivered to the commission upon request.

18 NEW SECTION. **Sec. 12.** At the beginning of each even-numbered
19 calendar year, the commission shall increase or decrease all dollar
20 amounts in this chapter based on changes in economic conditions as
21 reflected in the inflationary index used by the commission under RCW
22 42.17.370. The new dollar amounts established by the commission under
23 this section shall be rounded off by the commission to the nearest
24 five, ten, fifty, one hundred, five hundred, one thousand, etc. dollars
25 as judged most convenient for public understanding and so as to be
26 within ten percent of the target amount equal to the base amount
27 provided in this chapter multiplied by the increase in the inflationary
28 index since the effective date of this act.

1 NEW SECTION. **Sec. 13.** In the reports required by RCW 42.17.067
2 and 42.17.090 each candidate or political committee must make a good
3 faith effort also to report the occupation and employer of each
4 contributor whose contributions equal or exceed two hundred dollars in
5 aggregate.

6 **Sec. 14.** RCW 42.17.095 and 1982 c 147 s 8 are each amended to read
7 as follows:

8 ((The)) After a campaign period or after a candidate ceases to be
9 a candidate for any reason, all debt remaining for the candidate's
10 authorized committee exceeding five percent of the total contributions
11 reportable under this chapter by the candidate becomes the sole
12 responsibility of the former candidate. After a recall campaign
13 period, all debt remaining for the public official's authorized
14 committee exceeding five percent of the total contributions reportable
15 under this chapter by the public official becomes the sole
16 responsibility of the public official subject to the recall election.

17 After a campaign period or after a candidate ceases to be a
18 candidate for any reason, surplus funds of a candidate, an authorized
19 committee, or recall committee or ((of)) a political committee
20 supporting or opposing a candidate, ((may only)) must within ninety
21 days be disposed of in any one or more of the following ways:

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

24 (2) Transfer the surplus to the candidate's personal account as
25 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) Transfer the surplus to ~~((one or more candidates or to))~~ a
6 political ~~((committee or))~~ party organization;

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

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

11 ~~(6) Hold the surplus in the campaign depository or depositories~~
12 ~~designated in accordance with RCW 42.17.050 for possible use in a~~
13 ~~future election campaign, for political activity, for community~~
14 ~~activity, or for nonreimbursed public office related expenses and~~
15 ~~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 Within ninety days after a campaign period or after a candidate
22 ceases to be a candidate for any reason, real or personal property
23 purchased with contributions reportable under this chapter by a
24 candidate, an authorized committee, a recall committee, or a political
25 committee formed in support or opposition of a single candidate shall
26 be sold at fair market value and the proceeds of the sale shall be
27 disposed of in accordance with this section.

28 Within ninety days of the effective date of this act, an authorized
29 committee, a recall committee, or a political committee that is not a
30 continuing political committee, and that supported or opposed a

1 candidate in a previous election, must dispose of surplus funds in
2 accordance with this section.

3 NEW SECTION. Sec. 15. In addition to the requirements of RCW
4 42.17.125, contributions may not be used to reimburse a candidate for
5 loans totalling more than three thousand dollars made by the candidate
6 to the candidate's own authorized committee or campaign.

7 NEW SECTION. Sec. 16. No public official may accept, and no
8 person may give to a public official, a gift or honorarium that (1) is
9 in any way related to the public office held, or (2) would not be given
10 except for the public office held.

11 **Sec. 17.** RCW 42.17.390 and 1973 c 1 s 39 are each amended to read
12 as follows:

13 (1) One or more of the following civil remedies and sanctions may
14 be imposed by court order in addition to any other remedies provided by
15 law:

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

24 (b) If any lobbyist or sponsor of any grass roots lobbying campaign
25 violates any of the provisions of this chapter, his registration may be
26 revoked or suspended and he may be enjoined from receiving compensation
27 or making expenditures for lobbying: PROVIDED, HOWEVER, That

1 imposition of such sanction shall not excuse said lobbyist from filing
2 statements and reports required by this chapter.

3 (c) Any person who violates any of the provisions of this chapter
4 may be subject to a civil penalty of not more than ten thousand dollars
5 for each such violation. However, a person who violates section 6 of
6 this act may be subject to a civil penalty of ten thousand dollars or
7 three times the amount of the contribution illegally made or accepted,
8 whichever is greater.

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

13 (e) Any person who fails to report a contribution or expenditure
14 may be subject to a civil penalty equivalent to the amount he failed to
15 report.

16 (f) The court may enjoin any person to prevent the doing of any act
17 herein prohibited, or to compel the performance of any act required
18 herein.

19 **Sec. 18.** RCW 42.17.510 and 1984 c 216 s 1 are each amended to read
20 as follows:

21 (1) All written political advertising, whether relating to
22 candidates or ballot propositions, shall include the sponsor's name and
23 address. All radio and television political advertising, whether
24 relating to candidates or ballot propositions, shall include the
25 sponsor's name. The use of an assumed name shall be unlawful. The
26 party with which a candidate files shall be clearly identified in
27 political advertising for partisan office. If the political
28 advertising is undertaken as an independent expenditure by a person
29 other than a party organization, then the political advertising shall

1 also include the notation "Top Five Contributors" followed by a listing
2 of the names of the five persons making the largest contributions
3 reportable under this chapter during the twelve-month period before the
4 date of the advertisement.

5 (2) Political yard signs are exempt from the requirement of
6 subsection (1) of this section that the name and address of the sponsor
7 of political advertising be listed on the advertising. In addition,
8 the public disclosure commission shall, by rule, exempt from the
9 identification requirements of subsection (1) of this section forms of
10 political advertising such as campaign buttons, balloons, pens,
11 pencils, sky-writing, inscriptions, and other forms of advertising
12 where identification is impractical.

13 (3) For the purposes of this section, "yard sign" means any outdoor
14 sign with dimensions no greater than eight feet by four feet.

15 NEW SECTION. Sec. 19. Contributions made and received before
16 the effective date of this act are not considered to be contributions
17 under the provisions of sections 6 through 11 of this act.

18 NEW SECTION. Sec. 20. By the last day of February each year,
19 a political action committee shall file with the commission on a form
20 prescribed by the commission a report summarizing its activities for
21 the preceding calendar year. This report shall also be mailed or
22 otherwise personally delivered to each person contributing to the
23 political action committee more than twenty-five dollars during the
24 preceding calendar year. This report must include for the preceding
25 calendar year:

26 (1) The total contributions received and expenditures made;

27 (2) The total expenditures made for salaries and administrative
28 expenses;

1 (3) The names, offices sought, and party affiliations of candidates
2 to whom contributions were made and the amount of contributions to each
3 such candidate;

4 (4) The names, offices sought, and party affiliations of candidates
5 supported or opposed by independent expenditures made and the amount of
6 each such expenditure;

7 (5) The identifying proposition number and a brief description of
8 any ballot proposition committee to which contributions were made and
9 the amount of contributions to each such ballot proposition committee;

10 (6) The identifying proposition number and a brief description of
11 any ballot propositions supported or opposed by expenditures not
12 reported in subsection (5) of this section and the amount of each such
13 expenditure; and

14 (7) Such other information as the commission may prescribe by rule.

15 NEW SECTION. **Sec. 21.** The commission shall conduct a
16 sufficient number of audits and field investigations so as to provide
17 a statistically valid finding that the degree of compliance with the
18 provisions of this chapter by all required filers is at least ninety-
19 five percent.

20 NEW SECTION. **Sec. 22.** (1) Public office funds established
21 under RCW 42.17.243 must be segregated from all other funds and
22 reported quarterly to the commission.

23 (2) No person may make contributions to the public office fund of
24 a public official that in the aggregate exceeds one hundred dollars per
25 year. No public official may accept contributions that exceed the
26 limitations of this subsection.

1 NEW SECTION. **Sec. 23.** The sum of dollars, or as
2 much thereof as may be necessary, is appropriated for the biennium
3 ending June 30, 1993, from the general fund to the public disclosure
4 commission for the purposes of this act.

5 NEW SECTION. **Sec. 24.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 25.** Sections 6 through 11 of this act are
10 each added to chapter 42.17 RCW as a subchapter and codified with the
11 subchapter heading of "campaign contribution limitations." Sections 2,
12 3, 5, 12, 13, 15, 16, and 19 through 22 of this act are each added to
13 chapter 42.17 RCW.

14 NEW SECTION. **Sec. 26.** The following acts or parts of acts are
15 each repealed:

16 (1) RCW 42.17.100 and 1989 c 280 s 10, 1985 c 367 s 6, 1982 c 147
17 s 9, 1975-'76 2nd ex.s. c 112 s 4, & 1973 c 1 s 10;

18 (2) RCW 42.17.105 and 1989 c 280 s 11, 1986 c 228 s 2, 1985 c 359
19 s 1, & 1983 c 176 s 1; and

20 (3) RCW 42.17.175 and 1985 c 359 s 2.

21 NEW SECTION. **Sec. 27.** This act shall take effect December 1,
22 1992.