
SUBSTITUTE HOUSE BILL 2986

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on State Government (originally sponsored by Representatives Anderson, Hine, Pruitt, Rayburn, Dellwo, R. Fisher, Bray, Ludwig, Rasmussen and Nelson)

Read first time 02/18/92.

1 AN ACT Relating to campaign financing; amending RCW 42.17.095,
2 42.17.390, and 42.17.243; adding new sections to chapter 42.17 RCW;
3 adding a new section to chapter 29.80 RCW; adding a new section to
4 chapter 44.60 RCW; creating new sections; repealing RCW 42.17.100,
5 42.17.105, and 42.17.175; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** INTENT. The sovereign people of the state
8 of Washington find:

9 That the integrity of the electoral process is essential to the
10 preservation of a free and democratic society;

11 That the costs of conducting campaigns for office have become
12 alarmingly high;

13 That pressure on candidates to raise and spend large sums of money
14 has created a political climate in which special interest groups can

1 exercise a corrupting influence on the electoral process, and that the
2 public's perception of this corrupting influence reduces the
3 credibility of public officials, undermines the public's trust in
4 government, and threatens the integrity of the electoral process;

5 That limitations on both campaign contributions and expenditures
6 are necessary in order to prevent corruption and protect the integrity
7 of the electoral process, as well as to ensure fair political
8 competition between incumbent office holders and their challengers and
9 to encourage citizen participation in the electoral process; and

10 That the people have broad powers to establish the precise amount
11 of contribution ceilings, so long as the ceilings are reasonable and do
12 not violate First Amendment rights, and that it is appropriate to
13 provide an incentive to candidates wherein the candidates may accept
14 larger contributions if they agree to abide by overall spending
15 ceilings.

16 For these reasons, the people enact this campaign finance reform
17 law, placing ceilings on the amount that special interest groups and
18 others can contribute to political campaigns and providing an incentive
19 method for limiting campaign spending.

20 NEW SECTION. **Sec. 2.** APPLICATION. (1) The provisions of this act
21 regarding campaign contributions and campaign expenditures apply to
22 each candidate for state office.

23 Except as provided in subsection (2) of this section, the
24 provisions of this act regarding campaign contributions apply,
25 beginning July 1, 1995, to each candidate for elective office in a unit
26 of local government in this state.

27 (2) The provisions of this act regarding campaign contributions do
28 not apply to a candidate for an office of a unit of local government or
29 to contributions to the candidate if the unit of local government:

1 (a) Contains fewer than five thousand registered voters, as of the
2 date of the most recent general election in that unit of government,
3 and does not encompass an entire county; or

4 (b) Establishes and has in effect contribution and spending limits
5 for candidates for its elective offices.

6 **PART I - CAMPAIGN CONTRIBUTION LIMITATIONS**

7 NEW SECTION. **Sec. 3.** CAMPAIGN CONTRIBUTION LIMITS. (1) No person
8 may make contributions to a candidate, and no candidate may accept
9 contributions, except during the campaign period for the election for
10 which contributions are accepted or made.

11 (2) No person, other than a political party organization or a
12 caucus of the state legislature, may make contributions to a candidate
13 for public office that in the aggregate exceed one hundred dollars for
14 each election in which the candidate is on the ballot or appears as a
15 write-in candidate. No candidate for public office may accept
16 contributions from a person or committee that exceed in the aggregate
17 the contribution limitations provided by this subsection for that
18 person or committee.

19 (3) No political party organization may make contributions to a
20 candidate for public office that in the aggregate exceed two hundred
21 dollars for each election in which the candidate is on the ballot or
22 appears as a write-in candidate. No candidate for public office may
23 accept contributions from a political party organization that in the
24 aggregate exceed the contribution limitations provided by this
25 subsection for that organization.

26 (4) No caucus of the state legislature may make contributions to
27 such a candidate that in the aggregate exceed two hundred dollars for
28 each election in which the candidate is on the ballot or appears as a

1 write-in candidate. No candidate for public office may accept
2 contributions from a caucus of the state legislature that in aggregate
3 exceed the contribution limitations provided by this subsection for
4 that caucus.

5 (5) No candidate may accept contributions from political action
6 committees that in aggregate exceed one-fourth of the total of all
7 contributions received by the candidate by the end of the campaign
8 period.

9 (6) Except with respect to loans made in the ordinary course of
10 business, no corporation or labor organization may make a contribution
11 reportable under this chapter, other than a contribution for or against
12 a ballot proposition, or to a single political action committee
13 established by the corporation or labor organization. No candidate or
14 political committee may accept a contribution in violation of this
15 subsection.

16 (7) Notwithstanding the other subsections of this section, a
17 political committee that is located outside of the state must have
18 received during the previous or current calendar year contributions of
19 ten dollars or more from each of at least one hundred registered voters
20 in the state in order to be permitted to make contributions within the
21 state to a candidate or political committee except to ballot issue
22 committees. No candidate or political committee may knowingly accept
23 a contribution that is prohibited by this subsection.

24 (8) For purposes of this chapter, a contribution by a person
25 controlled by any other person is a contribution by the controlling
26 person. A contribution to a person controlled by another person is a
27 contribution to the controlling person. This does not apply: To the
28 relationship between an individual and the spouse of the individual; or
29 to the relationship between a bona fide political party and a district

1 or county organization of that party or a caucus of the state
2 legislature of that party.

3 (9) No person may make contributions to the public office fund of
4 a public official established under RCW 42.17.243 that in the aggregate
5 exceeds two hundred dollars per year. No public official may accept
6 contributions that exceed the limitations of this subsection.

7 NEW SECTION. **Sec. 4.** CONTRIBUTIONS DURING LEGISLATIVE
8 SESSIONS--INCUMBENT MAILINGS DURING CAMPAIGN PERIOD. (1) During the
9 period beginning on the fifteenth day before the date a regular
10 legislative session convenes and continuing thirty days past the date
11 of final adjournment, no state-wide elected state official or state
12 legislator may solicit or accept contributions to a campaign fund or
13 political committee. The provisions of this subsection do not apply
14 during a recall campaign period to a subject of the recall.

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

1 (b) Does not enter into an expenditure limitation agreement, but
2 accepts contributions or makes expenditures that in aggregate exceed an
3 expenditure limitation for the office.

4 (4) A candidate for an office is not subject to the expenditure
5 limitations of this chapter if the commission determines that, during
6 the election cycle, the sum of (a) the expenditures of, or
7 contributions (remaining unexpended) to, any one other candidate for
8 the same office, (b) independent expenditures clearly favoring that
9 other candidate, and (c) independent expenditures clearly opposing the
10 candidate but not clearly favoring any other candidate, exceeds the
11 expenditure limitation for the office sought by the candidate. The
12 commission, or its designee, may make such a determination on its own
13 authority, but must decide on such a determination within three
14 business days of receiving a written request from an affected
15 candidate.

16 NEW SECTION. **Sec. 6.** LIMITATIONS ON CANDIDATE'S CONTRIBUTIONS TO
17 OWN CAMPAIGN. (1) A candidate who enters an expenditure limitation
18 agreement under section 7 of this act shall not make expenditures or
19 contributions from his or her personal funds for or to his or her
20 campaign aggregating in excess of the following:

21 (a) For governor, seventy-five thousand dollars;

22 (b) For the office of judge of the state supreme court and for
23 state executive office other than governor, twenty-five thousand
24 dollars;

25 (c) For the office of judge of the state court of appeals or
26 superior court and for a member of the state senate, eight thousand
27 dollars; and

28 (d) For a member of the state house of representatives, five
29 thousand dollars.

1 (2) For the purposes of subsection (1) of this section, any loan
2 to, outstanding credit balance of, contract of, or other encumbrance on
3 the authorized committee of the candidate that remains unpaid over
4 sixty days shall be considered a contribution of a candidate's personal
5 funds to her or his campaign.

6 NEW SECTION. **Sec. 7.** VOLUNTARY EXPENDITURE LIMIT AGREEMENT.

7 Within thirty days after becoming a candidate or within three business
8 days of filing for office, whichever is earlier, a candidate for state
9 office shall sign and file with the commission a statement of
10 acceptance or rejection of the expenditure limitation agreement below.
11 The form of the statement and agreement shall be provided by the
12 commission by rule.

13 A candidate who files a statement of acceptance under this section
14 shall also agree in that statement to: Abide by the limitations
15 imposed by section 6 of this act and to any other expenditure
16 limitation applicable under sections 5 and 6 of this act to the person
17 as a candidate for that office; and comply fully with the fair campaign
18 practices code adopted by the commission as the code exists at the time
19 the statement is filed.

20 NEW SECTION. **Sec. 8.** ALTERNATIVE CONTRIBUTION LIMITS. A

21 candidate who signs and files a statement of acceptance under section
22 7 of this act, and persons making contributions to such a candidate,
23 shall be subject to the following contribution limits in lieu of those
24 established in section 3 (2) through (5) of this act:

25 (1) No person, other than a multicandidate political committee or
26 a political party organization or a caucus of the state legislature,
27 may make contributions to such a candidate that in the aggregate exceed
28 two hundred fifty dollars for each election in which the candidate is

1 on the ballot or appears as a write-in candidate. Such a candidate
2 shall not accept contributions from a person or committee that in the
3 aggregate exceed the contribution limitations provided by this
4 subsection for that person or committee.

5 (2) No multicandidate political committee may make contributions to
6 such a candidate that in the aggregate exceed seven hundred fifty
7 dollars for each election in which the candidate is on the ballot or
8 appears as a write-in candidate. Such a candidate shall not accept
9 contributions from a multicandidate political committee that in
10 aggregate exceed the contribution limitations provided by this
11 subsection for that committee.

12 (3) During a campaign period, no candidate may accept contributions
13 from political party organizations that in aggregate exceed twenty
14 cents multiplied by the number of registered voters in the
15 jurisdiction.

16 (4) During a campaign period, no candidate may accept contributions
17 from caucuses of the state legislature that in aggregate exceed twenty
18 cents multiplied by the number of registered voters in the
19 jurisdiction.

20 (5) No candidate may accept contributions from political action
21 committees that in aggregate exceed one-half of the applicable campaign
22 expenditure limit.

23 For the purposes of this section, "registered voter" means those
24 persons registered in accordance with Title 29 RCW who are eligible to
25 vote on the day filing opens for the applicable public office.

26 NEW SECTION. **Sec. 9.** USE OF LOGO. A candidate for state
27 office who enters and abides by an agreement under section 7 of this
28 act is entitled to display a good campaign practices seal, designed by

1 the commission, in the political advertising and communications of the
2 candidate during the applicable campaign period.

3 NEW SECTION. **Sec. 10.** A new section is added to chapter 29.80 RCW
4 to read as follows:

5 **VOTERS' PAMPHLET NOTICE.** Based on the public disclosure
6 commission's most current list of candidates who have signed and abided
7 by an agreement with the commission under section 7 of this act, the
8 secretary of state shall:

9 (1) Add a prominent notice in the candidates' pamphlet following
10 the statement of each person on that list that says: "This candidate
11 has agreed to the campaign spending limit"; and

12 (2) Add a prominent notice in the candidates' pamphlet following
13 the statement of all other candidates that says: "This candidate has
14 not agreed to the campaign spending limit of \$[insert appropriate
15 amount]."

16 **PART III - AMENDMENTS TO PUBLIC DISCLOSURE LAW**

17 NEW SECTION. **Sec. 11.** INDEPENDENT EXPENDITURES REPORTED. (1)
18 Within two business days after the date of entering into a contract to
19 make or otherwise making an independent expenditure, the person making
20 the expenditure shall file a report with the commission and the
21 election officer of the county in which the person resides. Within the
22 same time limit, the person making the expenditure shall also mail, or
23 transmit by facsimile, a copy of the report to each candidate for the
24 office or offices for which the expenditure is made. The report shall
25 be on a form prescribed by the commission, providing all relevant
26 information, including the person's occupation and employer.

1 (2) A person making an independent expenditure by mailing one
2 thousand or more identical or nearly identical cumulative pieces of
3 political advertising in a single calendar year shall, within two
4 business days after the time of the mailing, file an exact copy of the
5 mailed political advertising with the commission and the election
6 officer of the county in which the person resides. The person making
7 the expenditure shall also mail within two business days an example to
8 each candidate for the office or offices for which the expenditure is
9 made.

10 NEW SECTION. **Sec. 12.** DISPLAY OF CONTRIBUTORS FOR POLITICAL
11 ADVERTISING BY INDEPENDENT EXPENDITURE. In addition to the
12 requirements of RCW 42.17.510, if political advertising is undertaken
13 as an independent expenditure by a person other than a political party
14 organization, the political advertising shall also include the notation
15 "Top Five Contributors:" followed by a listing of the names of the five
16 persons making the largest contributions to the person during the
17 twelve-month period before the date of the advertisement. For the
18 purpose of this listing, the use of the person's own funds for the
19 independent expenditure shall be considered to be a contribution. If
20 there are less than five contributors, the notation shall be revised to
21 show the number of contributors and their names.

22 NEW SECTION. **Sec. 13.** ANNUAL REPORTS BY MULTICANDIDATE POLITICAL
23 COMMITTEES. By the last day of February each year, a multicandidate
24 political committee must file with the commission on a form prescribed
25 by the commission a report summarizing its expenditures and
26 contributions for the preceding calendar year and including a breakdown
27 by candidate and ballot proposition. This report must also be mailed
28 or otherwise personally delivered to each person contributing to the

1 multicandidate political committee more than twenty-five dollars during
2 the preceding calendar year.

3 NEW SECTION. **Sec. 14.** RULES FOR COUNTING CONTRIBUTIONS AND
4 EXPENDITURES. (1) For the purposes of this chapter, payments made by
5 a candidate to repay loans made to the candidate shall be reported but
6 shall not be counted when determining the total expenditures made by
7 the candidate with regard to any of the expenditure limitations of this
8 chapter.

9 (2) The provisions of this chapter apply to a special election to
10 fill a vacancy and to a recall election. Contributions and
11 expenditures made in such elections shall not be counted toward any of
12 the limitations which apply to the candidate under this chapter for the
13 election cycle for any other election.

14 (3) For the purposes of this chapter, the expenditures made by and
15 the contributions received by a candidate and the expenditures made by
16 and the contributions received by the authorized committee of the
17 candidate are considered to be expenditures made by and contributions
18 received by the candidate.

19 (4) For purposes of calculating whether an expenditure limitation
20 has been exceeded under this chapter, a candidate's contributions shall
21 be counted only to the extent that the contributed funds have been
22 accepted by the candidate and remain unexpended at the time the
23 calculations are made. Once expended the contributions shall be
24 counted as expenditures.

25 NEW SECTION. **Sec. 15.** VIOLATION OF EXPENDITURE LIMIT. It is a
26 violation of this chapter for any candidate who has filed a statement
27 of acceptance under section 7 of this act, or for any person acting as
28 an agent for the candidate, to make expenditures which he or she knows

1 exceed any expenditure limit applicable to the candidate under section
2 5 or 6 of this act.

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

5 SURPLUS FUNDS. (~~The surplus funds of a candidate, or of a~~
6 ~~political committee supporting or opposing a candidate,~~) (1) Within
7 ninety days after an election cycle for an office, the surplus funds of
8 a candidate for the office and of the authorized committee of the
9 candidate shall be disposed of as specified under subsection (2) of
10 this section, except as follows:

11 (a) If the office sought is a state office and the candidate has
12 agreed under section 7 of this act to comply with the expenditure limit
13 for the office and has complied with sections 5 and 6 of this act, then
14 only the following amount must be disposed of under subsection (2) of
15 this section: The amount of the surplus which is more than ten percent
16 of the expenditure limit. The candidate may retain, and dispose of,
17 the balance under subsection (3) of this section.

18 (b) If the office sought is a local government office, if the local
19 government has adopted campaign spending limits for the office, if the
20 candidate has officially agreed to abide by such limits and has
21 complied with the local government's rules relating to the limits, then
22 only the following amount must be disposed of under subsection (2) of
23 this section: The amount of the surplus funds which is more than ten
24 percent of the spending limit that would apply to the office if all
25 candidates for the office had agreed to abide by the limits, and did
26 abide by them, and if there were no independent expenditures. The
27 candidate may retain, and dispose of, the balance under subsection (3)
28 of this section.

1 (2) Surplus funds that must be disposed of under this subsection
2 may only be disposed of in any one or more of the following ways:

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

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

15 ~~((3))~~ (c) Transfer the surplus to ~~((one or more candidates or~~
16 ~~to))~~ a political ~~((committee or))~~ party organization or to a caucus of
17 the state legislature;

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

20 ~~((5))~~ (e) Transmit the surplus to the state treasurer for deposit
21 in the general fund~~((or))~~.

22 ~~((6) Hold the surplus))~~ (3) Surplus funds that may be retained and
23 disposed of under this subsection may be held in the campaign
24 depository or depositories designated in accordance with RCW 42.17.050
25 for possible use in a future election campaign, for political activity,
26 for community activity, or for nonreimbursed public office related
27 expenses ((and report)). Any such disposition shall be reported in
28 accordance with RCW 42.17.090((:—PROVIDED, That)). If the candidate
29 subsequently announces or publicly files for office, information as
30 appropriate ((is)) shall be reported to the commission in accordance

1 with RCW 42.17.040 through 42.17.090. If a subsequent office is not
2 sought, the surplus held shall be disposed of (~~in accordance with the~~
3 ~~requirements of~~) as authorized by this subsection or by any way
4 specified under subsection (2) of this section.

5 (4) Subsection (1) of this section applies to a candidate for state
6 office beginning with the conclusion of the first election cycle during
7 which section 3 or 8 of this act applies to the office and applies
8 thereafter. Subsection (1) of this section applies to a candidate for
9 the office of a unit of local government beginning with the conclusion
10 of the election cycle which includes within it the date, July 1, 1995,
11 and applies thereafter.

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

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

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

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

1 HOWEVER, That imposition of such sanction shall not excuse said
2 lobbyist from filing 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: For a violation of section 3 or 8
6 of this act, the penalty shall be up to the greater of ten thousand
7 dollars or three times the amount of the contribution illegally made or
8 accepted; and for a violation of section 15 of this act, the penalty
9 shall be up to the greater of ten thousand dollars or three times the
10 amount of the expenditures in excess of the applicable expenditure
11 limitation.

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

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

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

22 NEW SECTION. Sec. 18. POWERS OF THE COMMISSION--ADJUSTMENT OF
23 DOLLAR AMOUNTS--AUDITS AND INVESTIGATIONS--RULES ORDERED. In addition
24 to the powers of the commission in RCW 42.17.370, the commission shall:

25 (1) Adjust all dollar amounts in sections 3, 5, 6, and 8 of this
26 act based on changes in economic conditions as reflected in the
27 inflationary index used by the commission under RCW 42.17.370. The
28 first adjustment shall be made one year after the effective date of
29 this act to reflect changes since January 1, 1992. Thereafter,

1 adjustments shall be made every two years. The new dollar amounts
2 established by the commission under this section shall be rounded off
3 within ten percent of the target amount;

4 (2) Conduct a sufficient number of audits and field investigations
5 so as to determine the degree of compliance with the provisions of this
6 chapter by all required filers; and

7 (3) Make such rules as are necessary to carry out the intent of
8 this act including rules that:

9 (a) Treat a contribution by a child under eighteen as the
10 contribution of both parents unless the contribution is made
11 voluntarily by the child from his or her own separate assets;

12 (b) Define situations in which a contribution is controlled for the
13 purposes of section 3(8) of this act; and

14 (c) Specify accounting and financial practices for persons subject
15 to this chapter necessary to allow for commission audits.

16 **Sec. 19.** RCW 42.17.243 and 1991 sp.s. c 18 s 4 are each amended to
17 read as follows:

18 OFFICE FUNDS. (1) Elected and appointed officials required to
19 report under RCW 42.17.240, shall report for themselves and for members
20 of their immediate family to the commission any contributions received
21 during the preceding calendar (~~year~~) quarter for the officials' use
22 in defraying nonreimbursed public office related expenses.
23 Contributions reported under this section shall be referred to as a
24 "public office fund" and shall not be transferred to a political
25 committee nor used to promote or oppose a candidate or ballot
26 proposition, other than as provided by subsection (3)(a) of this
27 section. Reimbursements or payments for travel do not constitute
28 contributions for the purposes of this section.

1 A report shall be filed during the month (~~of January of any year~~)
2 following a (~~year~~) calendar quarter in which such contributions were
3 received for or expenditures made from a public office fund. The day
4 of the month by which such reports must be filed may be set by the
5 commission by rule. The report shall include:

6 (a) The name and address of each contributor;

7 (b) A description of each contribution, including the date on which
8 it was received and its amount or, if its dollar value is
9 unascertainable, an estimate of its fair market value; and

10 (c) A description of each expenditure made from a public office
11 fund, including the name and address of the recipient, the amount, and
12 the date of each such expenditure.

13 (2) No report under subsection (1) of this section shall be
14 required if:

15 (a) The receipt of the contribution has been reported pursuant to
16 RCW 42.17.065 (continuing political committee reports) or RCW 42.17.090
17 (political committee reports); or

18 (b) The contribution is in the form of meals, refreshments, or
19 entertainment given in connection with official appearances or
20 occasions where public business was discussed.

21 (3) Any funds which remain in a public office fund after all
22 permissible public office related expenses have been paid may only be
23 disposed of in one or more of the following ways:

24 (a) Returned to a contributor in an amount not to exceed that
25 contributor's original contribution; or

26 (b) Donated to a charitable organization registered in accordance
27 with chapter 19.09 RCW; or

28 (c) Transferred to the state treasurer for deposit in the general
29 fund.

1 NEW SECTION. **Sec. 20.** SEVERABILITY CLAUSE. If any provision of
2 this act or its application to any person or circumstance is held
3 invalid, the remainder of the act or the application of the provision
4 to other persons or circumstances is not affected.

5 NEW SECTION. **Sec. 21.** CODIFICATION DIRECTION. (1) Sections 5
6 through 9 and 15 of this act are each added to chapter 42.17 RCW as a
7 subchapter and codified with the subchapter heading of "campaign
8 expenditure limitations."

9 (2) Sections 3, 4, 11 through 14, and 18 of this act are each
10 added to chapter 42.17 RCW.

11 NEW SECTION. **Sec. 22.** SPECIAL REPORTS AND LATE CONTRIBUTION
12 LIMITS. The following acts or parts of acts are each repealed:

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

15 (2) RCW 42.17.105 and 1991 c 157 s 1, 1989 c 280 s 11, 1986 c 228
16 s 2, 1985 c 359 s 1, & 1983 c 176 s 1; and

17 (3) RCW 42.17.175 and 1991 c 157 s 2 & 1985 c 359 s 2.

18 NEW SECTION. **Sec. 23.** HEADINGS. Part and section headings as
19 used in this act do not constitute any part of the law.

20 NEW SECTION. **Sec. 24.** PREVIOUS CONTRIBUTIONS. Contributions made
21 and received and expenditures made before the effective date of this
22 act are not considered to be contributions or expenditures under the
23 provisions of section 3, 4, 5, 6, or 8 of this act.

1 for any reason. In the case of a special election to fill a vacancy,
2 "campaign period" begins on the day the vacancy occurs and ends when
3 the polls close for the special election. If a candidate has debt
4 remaining after the election, then the campaign period ends ninety days
5 after the election or when the candidate has retired that percentage of
6 debt that he or she is allowed to retire under RCW 42.17.095, whichever
7 occurs first.

8 (4) "Caucus of the state legislature" means the caucus of the
9 members of a major political party in the state house of
10 representatives or in the state senate.

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

16 (b) For the purposes of this chapter, "contribution" does not
17 include the following, all of which may be further defined by the
18 commission:

19 (i) Interest on moneys deposited in a political committee's
20 account;

21 (ii) Ordinary home hospitality;

22 (iii) A contribution received by a candidate or political committee
23 that is returned to the contributor within five business days of the
24 date on which it is received by the candidate or committee, except that
25 a contribution that would result in notice having to be made under
26 section 5(2) of this act will be counted as a contribution under
27 section 5(2) of this act unless it is returned within twenty-four hours
28 of receipt;

29 (iv) The rendering of personal services of the sort commonly
30 performed by volunteer campaign workers, or incidental expenses

1 personally incurred by volunteer campaign workers not in excess of
2 fifty dollars personally paid for by the worker. Volunteer services,
3 for the purposes of this chapter, means services or labor for which the
4 individual is not compensated by any person.

5 (c) The following expenditures, which may be further defined by the
6 commission, by any entity do not constitute contributions to any
7 candidate:

8 (i) Any expenditure for voter registration, for absentee ballot
9 information, for precinct caucuses, for get-out-the-vote campaigns, for
10 precinct judges or inspectors, or for ballot counting, all without
11 promotion of or political advertising for individual candidates;

12 (ii) Any expenditure for sample ballots, listing all or
13 substantially all candidates and ballot issues that will appear on a
14 coming election ballot, listing all candidates and their political
15 party affiliations for each office mentioned, and perhaps also denoting
16 political committee endorsements, but with no other descriptive
17 information about the candidates;

18 (iii) Any news, feature, commentary or editorial in a regularly
19 scheduled news medium which is of primary interest to the general
20 public, which is controlled by a person whose primary business is the
21 news medium, and which is not controlled by any candidate or political
22 committee;

23 (iv) Any expenditure by a political committee for its own internal
24 organization or fund-raising without direct association with individual
25 candidates; or

26 (v) Any internal political communication primarily limited to the
27 contributors to a political party organization or political action
28 committee; primarily limited to the officers, management staff, and
29 stockholders of a corporation or similar enterprise; or primarily

1 limited to the members of a labor organization or other membership
2 organization.

3 (d) Contributions other than money or its equivalents shall be
4 deemed to have a money value equivalent to the fair market value of the
5 contribution.

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

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

15 (g) Sums paid for tickets to fund-raising events such as dinners
16 and parties are contributions; however, the amount of any such
17 contribution may be reduced for the purpose of complying with the
18 reporting requirements of this chapter, by the actual cost of
19 consumables furnished in connection with the purchase of the tickets,
20 and only the excess over the actual cost of the consumables shall be
21 deemed a contribution.

22 (6) "Corporation" includes any private or public corporation,
23 whether for profit or not-for-profit.

24 (7) "Election" means a primary or a general or special election in
25 which a candidate is on the ballot.

26 (8) "Election cycle" means the period beginning on the first day of
27 December following the date of the last previous general election for
28 the office which the candidate seeks and ending on November thirtieth
29 following the next election for the office. In the case of a special

1 election to fill a vacancy, "election cycle" begins on the day the
2 vacancy occurs.

3 (9) "General election" means the election which directly results in
4 the election of a person to a public office. It does not include a
5 primary.

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

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

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

23 (c) The expenditure, alone or in conjunction with another
24 expenditure or other expenditures of the same person in support of or
25 opposition to that candidate, has a value of five hundred dollars or
26 more. A sequence of expenditures each of which is under five hundred
27 dollars shall constitute one independent expenditure as of the time
28 that the last expenditure brings the total value of the sequence to
29 five hundred dollars or more, and no expenditure in the sequence which

1 has been reported to the board under section 11 of this act shall be
2 considered as part of any future independent expenditure.

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

8 (12) "Multicandidate political committee" means a political action
9 committee that receives contributions of ten dollars or more from each
10 of one hundred or more persons; and makes contributions of at least one
11 hundred dollars to each of ten or more candidates.

12 (13) "Political action committee" means a political committee that
13 is not an authorized committee, political party organization, caucus of
14 the state legislature, or ballot proposition committee.

15 (14) "Political party organization" means:

16 (a) A bona fide political party;

17 (b) A county central committee of a party as provided in RCW
18 29.42.030; or

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

21 (15) "Primary" means the procedure for nominating a candidate to
22 public office under chapter 29.18 or 29.21 RCW or any other primary for
23 an election that uses, in large measure, the procedures established in
24 chapter 29.18 or 29.21 RCW.

25 (16) "Public official" means any person who is elected or appointed
26 to a public office.

27 (17) "Recall committee" means a political committee acting in
28 support of the qualification or passage of the recall petition.

1 (18) "State office" means an elective office of the executive or
2 legislative branch of state government and the office of judge of the
3 state supreme court, court of appeals, or superior court.

4 NEW SECTION. **Sec. 28.** This act constitutes an alternative to
5 Initiative 134, which has been proposed to the legislature. The
6 secretary of state is directed to place this act on the ballot in
7 conjunction with Initiative 134, pursuant to Article II, section 1(a)
8 of the state Constitution.