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**SUBSTITUTE HOUSE BILL 1510**

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**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** House Committee on Government Administration (originally sponsored by Representatives Wensman, D. Schmidt, Scott, Doumit and Cooper)

Read first time 02/27/97.

1 AN ACT Relating to filing statements of financial matters; and  
2 amending RCW 42.17.240 and 42.17.241.

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

4 **Sec. 1.** RCW 42.17.240 and 1995 c 397 s 8 are each amended to read  
5 as follows:

6 (1) Every elected official and every executive state officer shall  
7 after January 1st and before April 15th of each year file with the  
8 commission a statement of financial affairs for the preceding calendar  
9 year. However, any local elected official whose term of office expires  
10 immediately after December 31st shall file the statement required to be  
11 filed by this section for the year that ended on that December 31st.

12 (2) Every candidate shall within two weeks of becoming a candidate  
13 file with the commission a statement of financial affairs for the  
14 preceding twelve months.

15 (3) Every person appointed to a vacancy in an elective office or  
16 executive state officer position shall within two weeks of being so  
17 appointed file with the commission a statement of financial affairs for  
18 the preceding twelve months.

1 (4) A statement of a candidate or appointee filed during the period  
2 from January 1st to April 15th shall cover the period from January 1st  
3 of the preceding calendar year to the time of candidacy or appointment  
4 if the filing of the statement would relieve the individual of a prior  
5 obligation to file a statement covering the entire preceding calendar  
6 year.

7 (5) Beginning with reports for calendar year 1997, the employer of  
8 an elected official or executive state officer required to file a  
9 statement of financial affairs under this section shall, after January  
10 1st and before April 15th of each year, file with the commission a  
11 statement of authorized expenses, as described under RCW 42.17.241(4),  
12 for the preceding calendar year.

13 (6) No individual may be required to file more than once in any  
14 calendar year.

15 ~~((+6))~~ (7) Each statement of financial affairs filed under this  
16 section shall be sworn as to its truth and accuracy.

17 ~~((+7))~~ (8) Every elected official and every executive state  
18 officer shall file with their statement of financial affairs a  
19 statement certifying that they have read and are familiar with RCW  
20 42.17.130 or 42.52.180, whichever is applicable.

21 ~~((+8))~~ (9) For the purposes of this section, the term "executive  
22 state officer" includes those listed in RCW 42.17.2401.

23 ~~((+9))~~ (10) This section does not apply to incumbents or  
24 candidates for a federal office or the office of precinct committee  
25 officer.

26 **Sec. 2.** RCW 42.17.241 and 1995 c 397 s 9 are each amended to read  
27 as follows:

28 (1) The statement of financial affairs required by RCW 42.17.240  
29 shall disclose for the reporting individual and each member of his or  
30 her immediate family:

31 (a) Occupation, name of employer, and business address; ~~((and))~~

32 (b) Each bank or savings account or insurance policy in which any  
33 such person or persons owned a direct financial interest that exceeded  
34 five thousand dollars at any time during the reporting period; each  
35 other item of intangible personal property in which any such person or  
36 persons owned a direct financial interest, the value of which exceeded  
37 five hundred dollars during the reporting period; the name, address,

1 and nature of the entity; and the nature and highest value of each such  
2 direct financial interest during the reporting period; ((and))

3 (c) The name and address of each creditor to whom the value of five  
4 hundred dollars or more was owed; the original amount of each debt to  
5 each such creditor; the amount of each debt owed to each creditor as of  
6 the date of filing; the terms of repayment of each such debt; and the  
7 security given, if any, for each such debt: PROVIDED, That debts  
8 arising out of a "retail installment transaction" as defined in chapter  
9 63.14 RCW (Retail Installment Sales Act) need not be reported; ((and))

10 (d) Every public or private office, directorship, and position held  
11 as trustee; ((and))

12 (e) All persons for whom any legislation, rule, rate, or standard  
13 has been prepared, promoted, or opposed for current or deferred  
14 compensation: PROVIDED, That for the purposes of this subsection,  
15 "compensation" does not include payments made to the person reporting  
16 by the governmental entity for which such person serves as an elected  
17 official or state executive officer or professional staff member for  
18 his service in office; the description of such actual or proposed  
19 legislation, rules, rates, or standards; and the amount of current or  
20 deferred compensation paid or promised to be paid; ((and))

21 (f) The name and address of each governmental entity, corporation,  
22 partnership, joint venture, sole proprietorship, association, union, or  
23 other business or commercial entity from whom compensation has been  
24 received in any form of a total value of five hundred dollars or more;  
25 the value of the compensation; and the consideration given or performed  
26 in exchange for the compensation; ((and))

27 (g) The name of any corporation, partnership, joint venture,  
28 association, union, or other entity in which is held any office,  
29 directorship, or any general partnership interest, or an ownership  
30 interest of ten percent or more; the name or title of that office,  
31 directorship, or partnership; the nature of ownership interest; and  
32 with respect to each such entity: (i) With respect to a governmental  
33 unit in which the official seeks or holds any office or position, if  
34 the entity has received compensation in any form during the preceding  
35 twelve months from the governmental unit, the value of the compensation  
36 and the consideration given or performed in exchange for the  
37 compensation; (ii) the name of each governmental unit, corporation,  
38 partnership, joint venture, sole proprietorship, association, union, or  
39 other business or commercial entity from which the entity has received

1 compensation in any form in the amount of two thousand five hundred  
2 dollars or more during the preceding twelve months and the  
3 consideration given or performed in exchange for the compensation:  
4 PROVIDED, That the term "compensation" for purposes of this subsection  
5 (1)(g)(ii) does not include payment for water and other utility  
6 services at rates approved by the Washington state utilities and  
7 transportation commission or the legislative authority of the public  
8 entity providing the service: PROVIDED, FURTHER, That with respect to  
9 any bank or commercial lending institution in which is held any office,  
10 directorship, partnership interest, or ownership interest, it shall  
11 only be necessary to report either the name, address, and occupation of  
12 every director and officer of the bank or commercial lending  
13 institution and the average monthly balance of each account held during  
14 the preceding twelve months by the bank or commercial lending  
15 institution from the governmental entity for which the individual is an  
16 official or candidate or professional staff member, or all interest  
17 paid by a borrower on loans from and all interest paid to a depositor  
18 by the bank or commercial lending institution if the interest exceeds  
19 six hundred dollars; ((and))

20 (h) A list, including legal or other sufficient descriptions as  
21 prescribed by the commission, of all real property in the state of  
22 Washington, the assessed valuation of which exceeds two thousand five  
23 hundred dollars in which any direct financial interest was acquired  
24 during the preceding calendar year, and a statement of the amount and  
25 nature of the financial interest and of the consideration given in  
26 exchange for that interest; ((and))

27 (i) A list, including legal or other sufficient descriptions as  
28 prescribed by the commission, of all real property in the state of  
29 Washington, the assessed valuation of which exceeds two thousand five  
30 hundred dollars in which any direct financial interest was divested  
31 during the preceding calendar year, and a statement of the amount and  
32 nature of the consideration received in exchange for that interest, and  
33 the name and address of the person furnishing the consideration;  
34 ((and))

35 (j) A list, including legal or other sufficient descriptions as  
36 prescribed by the commission, of all real property in the state of  
37 Washington, the assessed valuation of which exceeds two thousand five  
38 hundred dollars in which a direct financial interest was held:  
39 PROVIDED, That if a description of the property has been included in a

1 report previously filed, the property may be listed, for purposes of  
2 this provision, by reference to the previously filed report; (~~and~~)

3 (k) A list, including legal or other sufficient descriptions as  
4 prescribed by the commission, of all real property in the state of  
5 Washington, the assessed valuation of which exceeds five thousand  
6 dollars, in which a corporation, partnership, firm, enterprise, or  
7 other entity had a direct financial interest, in which corporation,  
8 partnership, firm, or enterprise a ten percent or greater ownership  
9 interest was held; (~~and~~)

10 (l) A list of each occasion, specifying date, donor, and amount, at  
11 which food and beverage in excess of fifty dollars was accepted under  
12 RCW 42.52.150(5); (~~and~~)

13 (m) Except for the items subject to reporting in a statement of  
14 authorized expenses under subsection (4) of this section, a list of  
15 each occasion, specifying date, donor, and amount, at which items  
16 specified in RCW 42.52.010(~~(9)~~~~(d)~~ and ~~(f)~~) (10) (d) and (f) were  
17 accepted; (~~and~~) and

18 (n) Such other information as the commission may deem necessary in  
19 order to properly carry out the purposes and policies of this chapter,  
20 as the commission shall prescribe by rule.

21 (2) Where an amount is required to be reported under subsection (1)  
22 (a) through (m) of this section or under subsection (4) of this  
23 section, it shall be sufficient to comply with the requirement to  
24 report whether the amount is less than one thousand dollars, at least  
25 one thousand dollars but less than five thousand dollars, at least five  
26 thousand dollars but less than ten thousand dollars, at least ten  
27 thousand dollars but less than twenty-five thousand dollars, or twenty-  
28 five thousand dollars or more. An amount of stock may be reported by  
29 number of shares instead of by market value. No provision of this  
30 subsection may be interpreted to prevent any person from filing more  
31 information or more detailed information than required.

32 (3) Items of value given to an official's or employee's spouse or  
33 family member are attributable to the official or employee, except the  
34 item is not attributable if an independent business, family, or social  
35 relationship exists between the donor and the spouse or family member.

36 (4) For the statement of authorized expenses required by RCW  
37 42.17.240(5), the employer of an elected official or executive state  
38 officer shall disclose the items specified in RCW 42.52.010(10) (d) and  
39 (f) that the employer authorizes the official or officer to accept, and

- 1 that the official or officer accepts, in his or her official capacity.
- 2 The report must list the date, amount, source, and a description of the
- 3 items.

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