
HOUSE BILL 3014

State of Washington

55th Legislature

1998 Regular Session

By Representatives Chopp and Appelwick

Read first time 01/27/98. Referred to Committee on Government Administration.

1 AN ACT Relating to campaign finance reform; amending RCW 42.17.020,
2 42.17.040, 42.17.100, 42.17.510, 42.17.680, 42.17.390, 42.17.395,
3 42.17.128, and 41.04.230; adding new sections to chapter 42.17 RCW; and
4 prescribing penalties.

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

6 **Sec. 1.** RCW 42.17.020 and 1995 c 397 s 1 are each amended to read
7 as follows:

8 (1) "Agency" includes all state agencies and all local agencies.
9 "State agency" includes every state office, department, division,
10 bureau, board, commission, or other state agency. "Local agency"
11 includes every county, city, town, municipal corporation, quasi-
12 municipal corporation, or special purpose district, or any office,
13 department, division, bureau, board, commission, or agency thereof, or
14 other local public agency.

15 (2) "Authorized committee" means the political committee authorized
16 by a candidate, or by the public official against whom recall charges
17 have been filed, to accept contributions or make expenditures on behalf
18 of the candidate or public official.

1 (3) "Ballot proposition" means any "measure" as defined by RCW
2 29.01.110, or any initiative, recall, or referendum proposition
3 proposed to be submitted to the voters of the state or any municipal
4 corporation, political subdivision, or other voting constituency from
5 and after the time when the proposition has been initially filed with
6 the appropriate election officer of that constituency prior to its
7 circulation for signatures.

8 (4) "Benefit" means a commercial, proprietary, financial, economic,
9 or monetary advantage, or the avoidance of a commercial, proprietary,
10 financial, economic, or monetary disadvantage.

11 (5) "Bona fide political party" means:

12 (a) An organization that has filed a valid certificate of
13 nomination with the secretary of state under chapter 29.24 RCW;

14 (b) The governing body of the state organization of a major
15 political party, as defined in RCW 29.01.090, that is the body
16 authorized by the charter or bylaws of the party to exercise authority
17 on behalf of the state party; or

18 (c) The county central committee or legislative district committee
19 of a major political party. There may be only one legislative district
20 committee for each party in each legislative district.

21 (6) "Depository" means a bank designated by a candidate or
22 political committee pursuant to RCW 42.17.050.

23 (7) "Treasurer" and "deputy treasurer" mean the individuals
24 appointed by a candidate or political committee, pursuant to RCW
25 42.17.050, to perform the duties specified in that section.

26 (8) "Candidate" means any individual who seeks nomination for
27 election or election to public office. An individual seeks nomination
28 or election when he or she first:

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

31 (b) Announces publicly or files for office;

32 (c) Purchases commercial advertising space or broadcast time to
33 promote his or her candidacy; or

34 (d) Gives his or her consent to another person to take on behalf of
35 the individual any of the actions in (a) or (c) of this subsection.

36 (9) "Caucus political committee" means a political committee
37 organized and maintained by the members of a major political party in
38 the state senate or state house of representatives.

1 (10) "Commercial advertiser" means any person who sells the service
2 of communicating messages or producing printed material for broadcast
3 or distribution to the general public or segments of the general public
4 whether through the use of newspapers, magazines, television and radio
5 stations, billboard companies, direct mail advertising companies,
6 printing companies, or otherwise.

7 (11) "Commission" means the agency established under RCW 42.17.350.

8 (12) "Compensation" unless the context requires a narrower meaning,
9 includes payment in any form for real or personal property or services
10 of any kind: PROVIDED, That for the purpose of compliance with RCW
11 42.17.241, the term "compensation" shall not include per diem
12 allowances or other payments made by a governmental entity to reimburse
13 a public official for expenses incurred while the official is engaged
14 in the official business of the governmental entity.

15 (13) "Continuing political committee" means a political committee
16 that is an organization of continuing existence not established in
17 anticipation of any particular election campaign.

18 (14)(a) "Contribution" includes:

19 (i) A loan, gift, deposit, subscription, forgiveness of
20 indebtedness, donation, advance, pledge, payment, transfer of funds
21 between political committees, or anything of value, including personal
22 and professional services for less than full consideration;

23 (ii) An expenditure made by a person in cooperation, consultation,
24 or concert with, or at the request or suggestion of, a candidate, a
25 political committee, or their agents;

26 (iii) The financing by a person of the dissemination, distribution,
27 or republication, in whole or in part, of broadcast, written, graphic,
28 or other form of political advertising prepared by a candidate, a
29 political committee, or its authorized agent;

30 (iv) Sums paid for tickets to fund-raising events such as dinners
31 and parties, except for the actual cost of the consumables furnished at
32 the event.

33 (b) "Contribution" does not include:

34 (i) Standard interest on money deposited in a political committee's
35 account;

36 (ii) Ordinary home hospitality;

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

1 (iv) A news item, feature, commentary, or editorial in a regularly
2 scheduled news medium that is of primary interest to the general
3 public, that is in a news medium controlled by a person whose business
4 is that news medium, and that is not controlled by a candidate or a
5 political committee;

6 (v) An internal political communication primarily limited to the
7 members of or contributors to a political party organization or
8 political committee, or to the officers, management staff, or
9 stockholders of a corporation or similar enterprise, or to the members
10 of a labor organization or other membership organization;

11 (vi) The rendering of personal services of the sort commonly
12 performed by volunteer campaign workers, or incidental expenses
13 personally incurred by volunteer campaign workers not in excess of
14 fifty dollars personally paid for by the worker. "Volunteer services,"
15 for the purposes of this section, means services or labor for which the
16 individual is not compensated by any person;

17 (vii) Messages in the form of reader boards, banners, or yard or
18 window signs displayed on a person's own property or property occupied
19 by a person. However, a facility used for such political advertising
20 for which a rental charge is normally made must be reported as an in-
21 kind contribution and counts towards any applicable contribution limit
22 of the person providing the facility;

23 (viii) Legal or accounting services rendered to or on behalf of:

24 (A) A political party or caucus political committee if the person
25 paying for the services is the regular employer of the person rendering
26 such services; or

27 (B) A candidate or an authorized committee if the person paying for
28 the services is the regular employer of the individual rendering the
29 services and if the services are solely for the purpose of ensuring
30 compliance with state election or public disclosure laws.

31 (c) Contributions other than money or its equivalent are deemed to
32 have a monetary value equivalent to the fair market value of the
33 contribution. Services or property or rights furnished at less than
34 their fair market value for the purpose of assisting any candidate or
35 political committee are deemed a contribution. Such a contribution
36 must be reported as an in-kind contribution at its fair market value
37 and counts towards any applicable contribution limit of the provider.

1 (15) "Elected official" means any person elected at a general or
2 special election to any public office, and any person appointed to fill
3 a vacancy in any such office.

4 (16) "Election" includes any primary, general, or special election
5 for public office and any election in which a ballot proposition is
6 submitted to the voters: PROVIDED, That an election in which the
7 qualifications for voting include other than those requirements set
8 forth in Article VI, section 1 (Amendment 63) of the Constitution of
9 the state of Washington shall not be considered an election for
10 purposes of this chapter.

11 (17) "Election campaign" means any campaign in support of or in
12 opposition to a candidate for election to public office and any
13 campaign in support of, or in opposition to, a ballot proposition.

14 (18) "Election cycle" means the period beginning on the first day
15 of December after the date of the last previous general election for
16 the office that the candidate seeks and ending on November 30th after
17 the next election for the office. In the case of a special election to
18 fill a vacancy in an office, "election cycle" means the period
19 beginning on the day the vacancy occurs and ending on November 30th
20 after the special election.

21 (19) "Expenditure" includes a payment, contribution, subscription,
22 distribution, loan, advance, deposit, or gift of money or anything of
23 value, and includes a contract, promise, or agreement, whether or not
24 legally enforceable, to make an expenditure. The term "expenditure"
25 also includes a promise to pay, a payment, or a transfer of anything of
26 value in exchange for goods, services, property, facilities, or
27 anything of value for the purpose of assisting, benefiting, or honoring
28 any public official or candidate, or assisting in furthering or
29 opposing any election campaign. For the purposes of this chapter,
30 agreements to make expenditures, contracts, and promises to pay may be
31 reported as estimated obligations until actual payment is made. The
32 term "expenditure" shall not include the partial or complete repayment
33 by a candidate or political committee of the principal of a loan, the
34 receipt of which loan has been properly reported.

35 (20) "Final report" means the report described as a final report in
36 RCW 42.17.080(2).

37 (21) "General election" means the election that results in the
38 election of a person to a state office. It does not include a primary.

39 (22) "Gift," is as defined in RCW 42.52.010.

1 (23) "Immediate family" includes the spouse, dependent children,
2 and other dependent relatives, if living in the household. For the
3 purposes of RCW 42.17.640 through 42.17.790, "immediate family" means
4 an individual's spouse, and child, stepchild, grandchild, parent,
5 stepparent, grandparent, brother, half brother, sister, or half sister
6 of the individual and the spouse of any such person and a child,
7 stepchild, grandchild, parent, stepparent, grandparent, brother, half
8 brother, sister, or half sister of the individual's spouse and the
9 spouse of any such person.

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

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

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

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

33 (25) "Independent expenditure committee" means a political
34 committee established for the purpose of making independent
35 expenditures.

36 (26)(a) "Intermediary" means an individual who transmits a
37 contribution to a candidate or committee from another person unless the
38 contribution is from the individual's employer, immediate family as

1 defined for purposes of RCW 42.17.640 through 42.17.790, or an
2 association to which the individual belongs.

3 (b) A treasurer or a candidate is not an intermediary for purposes
4 of the committee that the treasurer or candidate serves.

5 (c) A professional fund-raiser is not an intermediary if the fund-
6 raiser is compensated for fund-raising services at the usual and
7 customary rate.

8 (d) A volunteer hosting a fund-raising event at the individual's
9 home is not an intermediary for purposes of that event.

10 (~~(26)~~) (27) "Legislation" means bills, resolutions, motions,
11 amendments, nominations, and other matters pending or proposed in
12 either house of the state legislature, and includes any other matter
13 that may be the subject of action by either house or any committee of
14 the legislature and all bills and resolutions that, having passed both
15 houses, are pending approval by the governor.

16 (~~(27)~~) (28) "Lobby" and "lobbying" each mean attempting to
17 influence the passage or defeat of any legislation by the legislature
18 of the state of Washington, or the adoption or rejection of any rule,
19 standard, rate, or other legislative enactment of any state agency
20 under the state Administrative Procedure Act, chapter 34.05 RCW.
21 Neither "lobby" nor "lobbying" includes an association's or other
22 organization's act of communicating with the members of that
23 association or organization.

24 (~~(28)~~) (29) "Lobbyist" includes any person who lobbies either in
25 his or her own or another's behalf.

26 (~~(29)~~) (30) "Lobbyist's employer" means the person or persons by
27 whom a lobbyist is employed and all persons by whom he or she is
28 compensated for acting as a lobbyist.

29 (~~(30)~~) (31) "Person" includes an individual, partnership, joint
30 venture, public or private corporation, association, federal, state, or
31 local governmental entity or agency however constituted, candidate,
32 committee, political committee, political party, executive committee
33 thereof, or any other organization or group of persons, however
34 organized.

35 (~~(31)~~) (32) "Person in interest" means the person who is the
36 subject of a record or any representative designated by that person,
37 except that if that person is under a legal disability, the term
38 "person in interest" means and includes the parent or duly appointed
39 legal representative.

1 (~~(32)~~) (33) "Political advertising" includes any advertising
2 displays, newspaper ads, billboards, signs, brochures, articles,
3 tabloids, flyers, letters, radio or television presentations, telephone
4 or electronic communication, or (~~(other)~~) any means of mass
5 communication, used for the purpose of appealing, directly or
6 indirectly, for votes or for financial or other support in any election
7 campaign.

8 (~~(33)~~) (34) "Political committee" means any person (except a
9 candidate or an individual dealing with his or her own funds or
10 property) having the expectation of receiving contributions or making
11 expenditures in support of, or opposition to, any candidate or any
12 ballot proposition.

13 (~~(34)~~) (35) "Primary" means the procedure for nominating a
14 candidate to state office under chapter 29.18 or 29.21 RCW or any other
15 primary for an election that uses, in large measure, the procedures
16 established in chapter 29.18 or 29.21 RCW.

17 (~~(35)~~) (36) "Public office" means any federal, state, county,
18 city, town, school district, port district, special district, or other
19 state political subdivision elective office.

20 (~~(36)~~) (37) "Public record" includes any writing containing
21 information relating to the conduct of government or the performance of
22 any governmental or proprietary function prepared, owned, used, or
23 retained by any state or local agency regardless of physical form or
24 characteristics. For the office of the secretary of the senate and the
25 office of the chief clerk of the house of representatives, public
26 records means legislative records as defined in RCW 40.14.100 and also
27 means the following: All budget and financial records; personnel
28 leave, travel, and payroll records; records of legislative sessions;
29 reports submitted to the legislature; and any other record designated
30 a public record by any official action of the senate or the house of
31 representatives.

32 (~~(37)~~) (38) "Recall campaign" means the period of time beginning
33 on the date of the filing of recall charges under RCW 29.82.015 and
34 ending thirty days after the recall election.

35 (~~(38)~~) (39) "State legislative office" means the office of a
36 member of the state house of representatives or the office of a member
37 of the state senate.

38 (~~(39)~~) (40) "State office" means state legislative office or the
39 office of governor, lieutenant governor, secretary of state, attorney

1 general, commissioner of public lands, insurance commissioner,
2 superintendent of public instruction, state auditor, or state
3 treasurer.

4 ~~((40))~~ (41) "State official" means a person who holds a state
5 office.

6 ~~((41))~~ (42) "Surplus funds" mean, in the case of a political
7 committee or candidate, the balance of contributions that remain in the
8 possession or control of that committee or candidate subsequent to the
9 election for which the contributions were received, and that are in
10 excess of the amount necessary to pay remaining debts incurred by the
11 committee or candidate prior to that election. In the case of a
12 continuing political committee, "surplus funds" mean those
13 contributions remaining in the possession or control of the committee
14 that are in excess of the amount necessary to pay all remaining debts
15 when it makes its final report under RCW 42.17.065.

16 ~~((42))~~ (43) "Writing" means handwriting, typewriting, printing,
17 photostating, photographing, and every other means of recording any
18 form of communication or representation, including, but not limited to,
19 letters, words, pictures, sounds, or symbols, or combination thereof,
20 and all papers, maps, magnetic or paper tapes, photographic films and
21 prints, motion picture, film and video recordings, magnetic or punched
22 cards, discs, drums, diskettes, sound recordings, and other documents
23 including existing data compilations from which information may be
24 obtained or translated.

25 As used in this chapter, the singular shall take the plural and any
26 gender, the other, as the context requires.

27 **Sec. 2.** RCW 42.17.040 and 1989 c 280 s 2 are each amended to read
28 as follows:

29 (1) Every political committee, within two weeks after its
30 organization or, within two weeks after the date when it first has the
31 expectation of receiving contributions or making expenditures in any
32 election campaign, whichever is earlier, shall file a statement of
33 organization with the commission and with the county auditor or
34 elections officer of the county in which the candidate resides, or in
35 the case of any other political committee, the county in which the
36 treasurer resides. An independent expenditure committee must file a
37 statement of organization with the commission and with the appropriate
38 county elections officer, as specified under section 3 of this act, at

1 least thirty days before the election regarding which it expects to
2 receive contributions or make expenditures. A political committee
3 organized within the last three weeks before an election and having the
4 expectation of receiving contributions or making expenditures during
5 and for that election campaign shall file a statement of organization
6 within three business days after its organization or when it first has
7 the expectation of receiving contributions or making expenditures in
8 the election campaign.

9 (2) The statement of organization shall include but not be limited
10 to:

11 (a) The name and address of the committee;

12 (b) The names and addresses of all related or affiliated committees
13 or other persons, and the nature of the relationship or affiliation;

14 (c) The names, addresses, and titles of its officers; or if it has
15 no officers, the names, addresses, and titles of its responsible
16 leaders;

17 (d) The name and address of its treasurer and depository;

18 (e) A statement whether the committee is a continuing one;

19 (f) The name, office sought, and party affiliation of each
20 candidate whom the committee is supporting or opposing, and, if the
21 committee is supporting the entire ticket of any party, the name of the
22 party;

23 (g) The ballot proposition concerned, if any, and whether the
24 committee is in favor of or opposed to such proposition;

25 (h) The general nature of the interest or interests represented by
26 a noncandidate political committee;

27 (i) What distribution of surplus funds will be made, in accordance
28 with RCW 42.17.095, in the event of dissolution;

29 ~~((i))~~ (j) The street address of the place and the hours during
30 which the committee will make available for public inspection its books
31 of account and all reports filed in accordance with RCW 42.17.080; and

32 ~~((j))~~ (k) Such other information as the commission may ~~((by~~
33 ~~regulation))~~ prescribe by rule, in keeping with the policies and
34 purposes of this chapter.

35 (3) Any material change in information previously submitted in a
36 statement of organization shall be reported to the commission and to
37 the appropriate county elections officer within the ten days following
38 the change.

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

3 Every statement of organization, report, or other filing required
4 by this chapter to be filed by an independent expenditure committee
5 must be filed with the commission and the appropriate county elections
6 officer. The appropriate county elections officer for an independent
7 expenditure committee is the county auditor or other elections officer
8 of the county in which any candidate supported or opposed resides.

9 **Sec. 4.** RCW 42.17.100 and 1995 c 397 s 28 are each amended to read
10 as follows:

11 (1) For the purposes of this section and RCW 42.17.550 the term
12 "independent expenditure" means any expenditure that is made in support
13 of or in opposition to any candidate or ballot proposition and is not
14 otherwise required to be reported pursuant to RCW 42.17.060, 42.17.080,
15 or 42.17.090. "Independent expenditure" does not include: An internal
16 political communication primarily limited to the contributors to a
17 political party organization or political action committee, or the
18 officers, management staff, and stockholders of a corporation or
19 similar enterprise, or the members of a labor organization or other
20 membership organization; or the rendering of personal services of the
21 sort commonly performed by volunteer campaign workers, or incidental
22 expenses personally incurred by volunteer campaign workers not in
23 excess of fifty dollars personally paid for by the worker. "Volunteer
24 services," for the purposes of this section, means services or labor
25 for which the individual is not compensated by any person.

26 (2) Within five days after the date of making an independent
27 expenditure that by itself or when added to all other such independent
28 expenditures made during the same election campaign by the same person
29 equals one hundred dollars or more, (~~or within five days after the~~
30 ~~date of making an independent expenditure for which no reasonable~~
31 ~~estimate of monetary value is practicable, whichever occurs first,))
32 the person who made the independent expenditure shall file with the
33 commission and the county elections officer of the county of residence
34 for the candidate supported or opposed by the independent expenditure
35 (or in the case of an expenditure made in support of or in opposition
36 to a local ballot proposition, the county of residence for the person
37 making the expenditure) an initial report of all independent
38 expenditures made during the campaign prior to and including such date.~~

1 (3) At the following intervals each person who is required to file
2 an initial report pursuant to subsection (2) of this section shall file
3 with the commission and the county elections officer of the county of
4 residence for the candidate supported or opposed by the independent
5 expenditure (or in the case of an expenditure made in support of or in
6 opposition to a ballot proposition, the county of residence for the
7 person making the expenditure) a further report of the independent
8 expenditures made since the date of the last report:

9 (a) On the twenty-first day and the seventh day preceding the date
10 on which the election is held; and

11 (b) On the tenth day of the first month after the election; and

12 (c) On the tenth day of each month in which no other reports are
13 required to be filed pursuant to this section. However, the further
14 reports required by this subsection (3) shall only be filed if the
15 reporting person has made an independent expenditure since the date of
16 the last previous report filed.

17 The report filed pursuant to paragraph (a) of this subsection (3)
18 shall be the final report, and upon submitting such final report the
19 duties of the reporting person shall cease, and there shall be no
20 obligation to make any further reports.

21 (4) All reports filed pursuant to this section shall be certified
22 as correct by the reporting person.

23 (5) Each report required by subsections (2) and (3) of this section
24 shall disclose for the period beginning at the end of the period for
25 the last previous report filed or, in the case of an initial report,
26 beginning at the time of the first independent expenditure, and ending
27 not more than one business day before the date the report is due:

28 (a) The name and address of the person filing the report;

29 (b) The name and address of each person to whom an independent
30 expenditure was made in the aggregate amount of more than fifty
31 dollars, and the amount, date, and purpose of each such expenditure(
32 ~~If no reasonable estimate of the monetary value of a particular~~
33 ~~independent expenditure is practicable, it is sufficient to report~~
34 ~~instead)), including a precise description of services, property, or
35 rights furnished through the expenditure (~~and where appropriate to~~
36 ~~attach a copy of the item produced or distributed by the expenditure));~~~~

37 (c) The total sum of all independent expenditures made during the
38 campaign to date; and

1 (d) Such other information as shall be required by the commission
2 by rule in conformance with the policies and purposes of this chapter.

3 (6) No person may make independent expenditures in support of or in
4 opposition to a specific candidate that in the aggregate exceed five
5 thousand dollars within twenty-one days before an election.

6 (7) An independent expenditure committee must file a copy of any
7 political advertising it proposes to place or distribute with the
8 commission and the appropriate county elections officer, as specified
9 under section 3 of this act, at least five business days before
10 distribution.

11 **Sec. 5.** RCW 42.17.510 and 1995 c 397 s 19 are each amended to read
12 as follows:

13 (1) All written political advertising, whether relating to
14 candidates or ballot propositions, shall include the sponsor's name and
15 address. All radio and television political advertising, whether
16 relating to candidates or ballot propositions, shall include the
17 sponsor's name. All telephone and electronic communications, whether
18 relating to candidates or ballot measures, undertaken by or at the
19 instigation of a political committee, must include the sponsor's name.
20 The use of an assumed name shall be unlawful. The party with which a
21 candidate files shall be clearly identified in political advertising
22 for partisan office.

23 (2) In addition ~~((to the materials required by subsection (1) of~~
24 ~~this section)),~~ all political advertising relating to a candidate
25 undertaken as an independent expenditure ((by a person or entity other
26 than a party organization)) must include the following statement on the
27 communication "NOTICE TO VOTERS (Required by law): This advertisement
28 is an independent expenditure of funds not authorized or approved by
29 any candidate. There are no limits on the amount of independent
30 expenditures that may be made or on the amount of any contribution for
31 an independent expenditure. It is paid for by (name, address, city,
32 state, committee president's name, employer, daytime address and
33 telephone number, treasurer's name, employer, daytime address and
34 telephone number)." If ~~((the))~~ an advertisement relating to a
35 candidate undertaken as an independent expenditure is undertaken by a
36 nonindividual ((other than a party organization)), then the notice must
37 (a) disclose the general nature of the interests represented by the
38 independent expenditure committee, as determined by the commission

1 under section 6 of this act, immediately after the name of the
2 committee; and (b) include the following notation ((must also be
3 included)): "Top Five Contributors," followed by a listing of the
4 name(~~(s)~~) of each of the five persons or entities making the largest
5 contributions reportable under this chapter during the twelve-month
6 period before the date of the advertisement. The nature of interests
7 represented by each person other than an individual making such a
8 contribution, as determined by the commission under section 6 of this
9 act, must be disclosed immediately after the name of the entity.

10 (3) The statements and listings of contributors required by
11 (~~subsections (1) and (2) of~~) this section shall:

12 (a) Appear on the first page or fold of the written communication
13 in at least ten-point type, or in type at least ten percent of the
14 largest size type used in a written communication directed at more than
15 one voter, such as a billboard or poster, whichever is larger;

16 (b) Not be subject to the half-tone or screening process;

17 (c) Be set apart from any other printed matter; and

18 (d) Be clearly spoken on any broadcast advertisement.

19 (4) Political yard signs are exempt from the requirement of
20 (~~subsections (1) and (2) of~~) this section that the name and address
21 of the sponsor of political advertising be listed on the advertising.
22 In addition, the (~~public disclosure~~) commission shall, by rule,
23 exempt from the identification requirements of (~~subsections (1) and~~
24 ~~(2) of~~) this section forms of political advertising such as campaign
25 buttons, balloons, pens, pencils, sky-writing, inscriptions, and other
26 forms of advertising where identification is impractical.

27 (~~(5)~~) For the purposes of this section, "yard sign" means any
28 outdoor sign with dimensions no greater than eight feet by four feet.

29 NEW SECTION. Sec. 6. A new section is added to chapter 42.17 RCW
30 to read as follows:

31 The commission shall assign a brief descriptive phrase indicating
32 the general nature of interests represented by each noncandidate
33 political committee paying for advertisements. This phrase must be
34 included immediately after the name of the committee in each
35 advertisement undertaken by that committee and candidate reports for
36 contributions received from noncandidate political committees.

37 The commission shall assign a brief descriptive phrase indicating
38 the general nature of interests represented by each independent

1 expenditure committee. As provided under RCW 42.17.510, this phrase
2 must be included immediately after the name of the committee in each
3 advertisement relating to a candidate that the committee undertakes as
4 an independent contribution.

5 The commission shall assign a brief descriptive phrase indicating
6 the general nature of interests represented by each entity making a
7 contribution to an independent expenditure committee. As provided
8 under RCW 42.17.510, this phrase must be included immediately after the
9 name of each entity listed as one of the top five contributors to the
10 committee making the advertisement.

11 **Sec. 7.** RCW 42.17.680 and 1993 c 2 s 8 are each amended to read as
12 follows:

13 (1) No employer or labor organization may increase the salary of an
14 officer or employee, or give an emolument to an officer, employee, or
15 other person or entity, with the intention that the increase in salary,
16 or the emolument, or a part of it, be contributed or spent to support
17 or oppose a candidate, (~~state~~) elected official against whom recall
18 charges have been filed, ballot proposition, political party, or
19 political committee.

20 (2) No employer or labor organization may discriminate against an
21 officer or employee in the terms or conditions of employment for (a)
22 (~~the failure~~) contributing or failing to contribute to, (b) (~~the~~
23 ~~failure~~) in any way failing to support or oppose, or (c) in any way
24 supporting or opposing, a candidate, elected official against whom
25 recall charges have been filed, ballot proposition, political party, or
26 political committee.

27 (~~(3) (No employer or other person or entity responsible for the~~
28 ~~disbursement of funds in payment of wages or salaries may withhold or~~
29 ~~divert a portion of an employee's wages or salaries for contributions~~
30 ~~to political committees or for use as political contributions except~~
31 ~~upon the written request of the employee. The request must be made on~~
32 ~~a form prescribed by the commission informing the employee of the~~
33 ~~prohibition against employer and labor organization discrimination~~
34 ~~described in subsection (2) of this section. The request is valid for~~
35 ~~no more than twelve months from the date it is made by the employee.))~~
36 An employee may authorize the withholding or diversion of a portion of
37 the employee's wages or salary for the purpose of making contributions
38 to a political committee or for use as a political contribution. The

1 authorization must be in writing on a form prescribed by the commission
2 and directed to the employer, person, or entity responsible for the
3 disbursement of funds in payment of wages or salaries. The form must
4 contain a notice informing the employee of the prohibition against
5 discrimination under subsection (2) of this section. An authorization
6 under this section is valid for a period of two years from the date it
7 is made.

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

16 (5)(a) A for-profit corporation formed under the laws of this or
17 another state may make a contribution or independent expenditure in
18 support of or opposition to a candidate for state office or state
19 ballot proposition only as authorized in (b) or (c) of this subsection.

20 (b) A corporation may spend corporate funds for the purposes set
21 forth in (a) of this subsection with the approval of the majority of
22 the corporation's stockholders. Stockholder approval under this
23 section is valid for a period of twelve months from the date it is
24 given by the stockholders. Documentation of stockholder approval must
25 be filed with the commission.

26 (c) A corporation may spend corporate funds to establish and
27 administer a political committee affiliated with the corporation for
28 the purposes set forth in (a) of this subsection, and for the
29 solicitation of contributions to the committee. Contributions and
30 independent expenditures by the political committee may be made only
31 from contributions solicited from the following persons or their
32 spouses: (i) Stockholders of the corporation; (ii) officers and
33 directors of the corporation; or (iii) employees of the corporation.

34 **Sec. 8.** RCW 42.17.390 and 1993 c 2 s 28 are each amended to read
35 as follows:

36 One or more of the following civil remedies and sanctions may be
37 imposed by court order in addition to any other remedies provided by
38 law:

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

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

15 (3) Any person who violates any of the provisions of this chapter
16 may be subject to a civil penalty of not more than (~~ten~~) forty
17 thousand dollars for each such violation. However, a person or entity
18 who violates RCW 42.17.640 may be ordered to return a contribution
19 illegally accepted and may be subject to a civil penalty of (~~ten~~)
20 forty thousand dollars or three times the amount of the contribution
21 illegally made or accepted, whichever is greater.

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

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

29 (6) If a candidate or an officer of a candidate's authorized
30 committee or of a political committee is found to have intentionally
31 violated this chapter, he or she may be ordered to pay any civil
32 penalty that is imposed from personal funds.

33 (7) The court may enjoin any person to prevent the doing of any act
34 herein prohibited, or to compel the performance of any act required
35 herein.

36 **Sec. 9.** RCW 42.17.395 and 1989 c 175 s 91 are each amended to read
37 as follows:

1 (1) The commission may (a) determine whether an actual violation of
2 this chapter has occurred; and (b) issue and enforce an appropriate
3 order following such determination.

4 (2) The commission, in cases where it chooses to determine whether
5 an actual violation of this chapter has occurred, shall hold a hearing
6 pursuant to the Administrative Procedure Act, chapter 34.05 RCW, to
7 make such determination. Any order that the commission issues under
8 this section shall be pursuant to such hearing.

9 (3) In lieu of holding a hearing or issuing an order under this
10 section, the commission may refer the matter to the attorney general or
11 other enforcement agency as provided in RCW 42.17.360.

12 (4) The person against whom an order is directed under this section
13 shall be designated as the respondent. The order may require the
14 respondent to cease and desist from the activity that constitutes a
15 violation and in addition, or alternatively, may impose one or more of
16 the remedies provided in RCW 42.17.390(~~((1) (b), (c), (d), or (e):~~
17 ~~PROVIDED, That)) (2), (3), (4), (5), or (6). However, no individual~~
18 penalty assessed by the commission may exceed ~~((one))~~ four thousand
19 dollars, and in any case where multiple violations are involved in a
20 single complaint or hearing, the maximum aggregate penalty may not
21 exceed ~~((two))~~ ten thousand ~~((five hundred))~~ dollars.

22 (5) An order issued by the commission under this section shall be
23 subject to judicial review under the Administrative Procedure Act,
24 chapter 34.05 RCW. If the commission's order is not satisfied and no
25 petition for review is filed within thirty days as provided in RCW
26 34.05.542, the commission may petition a court of competent
27 jurisdiction of any county in which a petition for review could be
28 filed under that section, for an order of enforcement. Proceedings in
29 connection with the commission's petition shall be in accordance with
30 RCW 42.17.397.

31 (6) A candidate who has not complied with an order issued under RCW
32 42.17.390 or this section, and the remedies imposed thereunder, shall
33 not solicit or accept contributions or make expenditures until the
34 candidate has complied with the order and the remedies so imposed.

35 (7)(a) A political committee that has not complied with an order
36 issued under RCW 42.17.390 or this section, and the remedies imposed
37 thereunder, shall not solicit or accept contributions or make
38 expenditures until it has complied with the order and the remedies so
39 imposed. This restriction applies to the political committee against

1 whom the order and remedies were issued as well as a political
2 committee that has a majority of the same officers as the committee
3 that is subject to the order.

4 (b) If an officer of a political committee has not complied with an
5 order issued under RCW 42.17.390 or this section, and the remedies
6 imposed thereunder, then the political committee shall not solicit or
7 accept contributions or make expenditures until the officer has
8 complied with the order and the remedies so imposed. This restriction
9 applies to the committee of which the individual subject to the order
10 was an officer at the time of the violation as well as any other
11 political committee of which the individual is an officer.

12 (8) A person who has not complied with an order issued under RCW
13 42.17.390 or this section, and the remedies imposed thereunder, shall
14 not register as a lobbyist, receive compensation as a lobbyist, or make
15 expenditures for lobbying expenses until the person has complied with
16 the order and the remedies so imposed. If the person is presently
17 registered as a lobbyist or a lobbyist employer, the commission may
18 suspend or revoke the person's registration.

19 (9) A sponsor of a grass roots lobbying campaign that has not
20 complied with an order issued under RCW 42.17.390 or this section, and
21 the remedies imposed thereunder, may not receive contributions or make
22 expenditures for grass roots lobbying purposes until the sponsor has
23 complied with the order and the remedies so imposed.

24 NEW SECTION. Sec. 10. A new section is added to chapter 42.17 RCW
25 to read as follows:

26 (1) A county with a population of five hundred thousand or more,
27 and a city with a population of one hundred thousand or more, may
28 establish a program where a candidate for a county or city elected
29 office voluntarily agrees to abide by limitations on the amount of
30 money the candidate, or the candidate's authorized committee, spends to
31 campaign for the office in return for receiving public matching funds
32 from the county or city that are used to assist in funding his or her
33 campaign.

34 (2) A program of public campaign financing under subsection (1) of
35 this section may only be established if voters approve a ballot
36 proposition authorizing the program. The ballot measure may be placed
37 on the ballot by resolution of the county or city governing body or by

1 initiative action of the voters, if the county or city voters possess
2 the powers of initiative on county or city matters.

3 **Sec. 11.** RCW 42.17.128 and 1993 c 2 s 24 are each amended to read
4 as follows:

5 Public funds, whether derived through taxes, fees, penalties, or
6 any other sources, shall not be used to finance political campaigns for
7 state or local office, unless a program of public campaign financing is
8 approved by voters under section 10 of this act.

9 **Sec. 12.** RCW 41.04.230 and 1995 1st sp.s. c 6 s 21 are each
10 amended to read as follows:

11 Any official of the state authorized to disburse funds in payment
12 of salaries and wages of public officers or employees is authorized,
13 upon written request of the officer or employee, to deduct from the
14 salaries or wages of the officers or employees, the amount or amounts
15 of subscription payments, premiums, contributions, or continuation
16 thereof, for payment of the following:

17 (1) Credit union deductions: PROVIDED, That twenty-five or more
18 employees of a single state agency or a total of one hundred or more
19 state employees of several agencies have authorized such a deduction
20 for payment to the same credit union. An agency may, in its own
21 discretion, establish a minimum participation requirement of fewer than
22 twenty-five employees.

23 (2) Parking fee deductions: PROVIDED, That payment is made for
24 parking facilities furnished by the agency or by the department of
25 general administration.

26 (3) U.S. savings bond deductions: PROVIDED, That a person within
27 the particular agency shall be appointed to act as trustee. The
28 trustee will receive all contributions; purchase and deliver all bond
29 certificates; and keep such records and furnish such bond or security
30 as will render full accountability for all bond contributions.

31 (4) Board, lodging or uniform deductions when such board, lodging
32 and uniforms are furnished by the state, or deductions for academic
33 tuitions or fees or scholarship contributions payable to the employing
34 institution.

35 (5) Dues and other fees deductions: PROVIDED, That the deduction
36 is for payment of membership dues to any professional organization
37 formed primarily for public employees or college and university

1 professors: AND PROVIDED, FURTHER, That twenty-five or more employees
2 of a single state agency, or a total of one hundred or more state
3 employees of several agencies have authorized such a deduction for
4 payment to the same professional organization.

5 (6) Labor or employee organization dues may be deducted in the
6 event that a payroll deduction is not provided under a collective
7 bargaining agreement under the provisions of RCW 41.06.150: PROVIDED,
8 That twenty-five or more officers or employees of a single agency, or
9 a total of one hundred or more officers or employees of several
10 agencies have authorized such a deduction for payment to the same labor
11 or employee organization: PROVIDED, FURTHER, That labor or employee
12 organizations with five hundred or more members in state government may
13 have payroll deduction for employee benefit programs.

14 (7) Insurance contributions to the authority for payment of
15 premiums under contracts authorized by the state health care authority.
16 However, enrollment or assignment by the state health care authority to
17 participate in a health care benefit plan, as required by RCW
18 41.05.065(5), shall authorize a payroll deduction of premium
19 contributions without a written consent under the terms and conditions
20 established by the public employees' benefits board.

21 (8) Deductions to a bank, savings bank, or savings and loan
22 association if (a) the bank, savings bank, or savings and loan
23 association is authorized to do business in this state; and (b) twenty-
24 five or more employees of a single agency, or fewer, if a lesser number
25 is established by such agency, or a total of one hundred or more state
26 employees of several agencies have authorized a deduction for payment
27 to the same bank, savings bank, or savings and loan association.

28 (9) Political participation deductions: Deductions to a political
29 committee if the committee is registered with the public disclosure
30 commission.

31 Deductions from salaries and wages of public officers and employees
32 other than those enumerated in this section or by other law, may be
33 authorized by the director of financial management for purposes clearly
34 related to state employment or goals and objectives of the agency and
35 for plans authorized by the state health care authority.

36 The authority to make deductions from the salaries and wages of
37 public officers and employees as provided for in this section shall be
38 in addition to such other authority as may be provided by law:
39 PROVIDED, That the state or any department, division, or separate

1 agency of the state shall not be liable to any insurance carrier or
2 contractor for the failure to make or transmit any such deduction.

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