
SUBSTITUTE HOUSE BILL 2617

State of Washington

57th Legislature

2002 Regular Session

By House Committee on State Government (originally sponsored by Representatives Linville, Romero, DeBolt, Quall, Kirby, Alexander, Morris, Dunshee, Bush, Hunt, Tokuda, Miloscia and McDermott)

Read first time 02/07/2002. Referred to Committee on .

1 AN ACT Relating to disclosure of employer and occupation
2 information by certain political campaign contributors; and amending
3 RCW 42.17.090 and 42.17.370.

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

5 **Sec. 1.** RCW 42.17.090 and 1993 c 256 s 6 are each amended to read
6 as follows:

7 (1) Each report required under RCW 42.17.080 (1) and (2) shall
8 disclose the following:

9 (a) The funds on hand at the beginning of the period;

10 (b) The name and address of each person who has made one or more
11 contributions during the period, (~~together with~~) the money value and
12 date of such contributions and the aggregate value of all contributions
13 received from each such person during the campaign or in the case of a
14 continuing political committee, the current calendar year, and in the
15 case of a person who has made one or more contributions in the
16 aggregate amount of one hundred dollars or more, the person's
17 occupation and the name and address of the person's employer:

18 PROVIDED, That pledges in the aggregate of less than one hundred
19 dollars from any one person need not be reported: PROVIDED FURTHER,

1 That the income which results from a fund-raising activity conducted in
2 accordance with RCW 42.17.067 may be reported as one lump sum, with the
3 exception of that portion of such income which was received from
4 persons whose names and addresses are required to be included in the
5 report required by RCW 42.17.067: PROVIDED FURTHER, That contributions
6 of no more than twenty-five dollars in the aggregate from any one
7 person during the election campaign may be reported as one lump sum so
8 long as the campaign treasurer maintains a separate and private list of
9 the name, address, and amount of each such contributor: PROVIDED
10 FURTHER, That the money value of contributions of postage shall be the
11 face value of such postage;

12 (c) Each loan, promissory note, or security instrument to be used
13 by or for the benefit of the candidate or political committee made by
14 any person, together with the names and addresses of the lender and
15 each person liable directly, indirectly or contingently and the date
16 and amount of each such loan, promissory note, or security instrument;

17 (d) All other contributions not otherwise listed or exempted;

18 (e) The name and address of each candidate or political committee
19 to which any transfer of funds was made, together with the amounts and
20 dates of such transfers;

21 (f) The name and address of each person to whom an expenditure was
22 made in the aggregate amount of more than fifty dollars during the
23 period covered by this report, and the amount, date, and purpose of
24 each such expenditure. A candidate for state executive or state
25 legislative office or the political committee of such a candidate shall
26 report this information for an expenditure under one of the following
27 categories, whichever is appropriate: (i) Expenditures for the
28 election of the candidate; (ii) expenditures for nonreimbursed public
29 office-related expenses; (iii) expenditures required to be reported
30 under (e) of this subsection; or (iv) expenditures of surplus funds and
31 other expenditures. The report of such a candidate or committee shall
32 contain a separate total of expenditures for each category and a total
33 sum of all expenditures. Other candidates and political committees
34 need not report information regarding expenditures under the categories
35 listed in (i) through (iv) of this subsection or under similar such
36 categories unless required to do so by the commission by rule. The
37 report of such an other candidate or committee shall also contain the
38 total sum of all expenditures;

1 (g) The name and address of each person to whom any expenditure was
2 made directly or indirectly to compensate the person for soliciting or
3 procuring signatures on an initiative or referendum petition, the
4 amount of such compensation to each such person, and the total of the
5 expenditures made for this purpose. Such expenditures shall be
6 reported under this subsection (1)(g) whether the expenditures are or
7 are not also required to be reported under (f) of this subsection;

8 (h) The name and address of any person and the amount owed for any
9 debt, obligation, note, unpaid loan, or other liability in the amount
10 of more than two hundred fifty dollars or in the amount of more than
11 fifty dollars that has been outstanding for over thirty days;

12 (i) The surplus or deficit of contributions over expenditures;

13 (j) The disposition made in accordance with RCW 42.17.095 of any
14 surplus funds;

15 (k) Such other information as shall be required by the commission
16 by rule in conformance with the policies and purposes of this chapter;
17 and

18 (l) Funds received from a political committee not otherwise
19 required to report under this chapter (a "nonreporting committee").
20 Such funds shall be forfeited to the state of Washington unless the
21 nonreporting committee has filed or within ten days following such
22 receipt files with the commission a statement disclosing: (i) Its name
23 and address; (ii) the purposes of the nonreporting committee; (iii) the
24 names, addresses, and titles of its officers or if it has no officers,
25 the names, addresses, and titles of its responsible leaders; (iv) the
26 name, office sought, and party affiliation of each candidate in the
27 state of Washington whom the nonreporting committee is supporting, and,
28 if such committee is supporting the entire ticket of any party, the
29 name of the party; (v) the ballot proposition supported or opposed in
30 the state of Washington, if any, and whether such committee is in favor
31 of or opposed to such proposition; (vi) the name and address of each
32 person residing in the state of Washington or corporation which has a
33 place of business in the state of Washington who has made one or more
34 contributions in the aggregate of more than twenty-five dollars to the
35 nonreporting committee during the current calendar year, together with
36 the money value and date of such contributions; (vii) the name and
37 address of each person in the state of Washington to whom an
38 expenditure was made by the nonreporting committee on behalf of a
39 candidate or political committee in the aggregate amount of more than

1 fifty dollars, the amount, date, and purpose of such expenditure, and
2 the total sum of such expenditures; (viii) such other information as
3 the commission may prescribe by rule, in keeping with the policies and
4 purposes of this chapter. A nonreporting committee incurring an
5 obligation to file additional reports in a calendar year may satisfy
6 the obligation by filing with the commission a letter providing
7 updating or amending information.

8 (2) The treasurer and the candidate shall certify the correctness
9 of each report.

10 **Sec. 2.** RCW 42.17.370 and 1995 c 397 s 17 are each amended to read
11 as follows:

12 The commission is empowered to:

13 (1) Adopt, promulgate, amend, and rescind suitable administrative
14 rules to carry out the policies and purposes of this chapter, which
15 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
16 campaign finance, political advertising, or related forms that would
17 otherwise take effect after June 30th of a general election year shall
18 take effect no earlier than the day following the general election in
19 that year;

20 (2) Appoint and set, within the limits established by the committee
21 on agency officials' salaries under RCW 43.03.028, the compensation of
22 an executive director who shall perform such duties and have such
23 powers as the commission may prescribe and delegate to implement and
24 enforce this chapter efficiently and effectively. The commission shall
25 not delegate its authority to adopt, amend, or rescind rules nor shall
26 it delegate authority to determine whether an actual violation of this
27 chapter has occurred or to assess penalties for such violations;

28 (3) Prepare and publish such reports and technical studies as in
29 its judgment will tend to promote the purposes of this chapter,
30 including reports and statistics concerning campaign financing,
31 lobbying, financial interests of elected officials, and enforcement of
32 this chapter;

33 (4) Make from time to time, on its own motion, audits and field
34 investigations;

35 (5) Make public the time and date of any formal hearing set to
36 determine whether a violation has occurred, the question or questions
37 to be considered, and the results thereof;

1 (6) Administer oaths and affirmations, issue subpoenas, and compel
2 attendance, take evidence and require the production of any books,
3 papers, correspondence, memorandums, or other records relevant or
4 material for the purpose of any investigation authorized under this
5 chapter, or any other proceeding under this chapter;

6 (7) Adopt and promulgate a code of fair campaign practices;

7 (8) Relieve, by rule, candidates or political committees of
8 obligations to comply with the provisions of this chapter relating to
9 election campaigns, if they have not received contributions nor made
10 expenditures in connection with any election campaign of more than one
11 thousand dollars;

12 (9) Adopt rules prescribing reasonable requirements for keeping
13 accounts of and reporting on a quarterly basis costs incurred by state
14 agencies, counties, cities, and other municipalities and political
15 subdivisions in preparing, publishing, and distributing legislative
16 information. The term "legislative information," for the purposes of
17 this subsection, means books, pamphlets, reports, and other materials
18 prepared, published, or distributed at substantial cost, a substantial
19 purpose of which is to influence the passage or defeat of any
20 legislation. The state auditor in his or her regular examination of
21 each agency under chapter 43.09 RCW shall review the rules, accounts,
22 and reports and make appropriate findings, comments, and
23 recommendations in his or her examination reports concerning those
24 agencies;

25 (10) After hearing, by order approved and ratified by a majority of
26 the membership of the commission, suspend or modify any of the
27 reporting requirements of this chapter in a particular case if it finds
28 that literal application of this chapter works a manifestly
29 unreasonable hardship and if it also finds that the suspension or
30 modification will not frustrate the purposes of the chapter. The
31 commission shall find that a manifestly unreasonable hardship exists if
32 reporting the name of an entity required to be reported under RCW
33 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
34 position of any entity in which the person filing the report or any
35 member of his or her immediate family holds any office, directorship,
36 general partnership interest, or an ownership interest of ten percent
37 or more. Any suspension or modification shall be only to the extent
38 necessary to substantially relieve the hardship. The commission shall
39 act to suspend or modify any reporting requirements only if it

1 determines that facts exist that are clear and convincing proof of the
2 findings required under this section. Requests for renewals of
3 reporting modifications may be heard in a brief adjudicative proceeding
4 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
5 the standards established in this section. No initial request may be
6 heard in a brief adjudicative proceeding and no request for renewal may
7 be heard in a brief adjudicative proceeding if the initial request was
8 granted more than three years previously or if the applicant is holding
9 an office or position of employment different from the office or
10 position held when the initial request was granted. The commission
11 shall adopt administrative rules governing the proceedings. Any
12 citizen has standing to bring an action in Thurston county superior
13 court to contest the propriety of any order entered under this section
14 within one year from the date of the entry of the order; and

15 (11) Revise, at least once every five years but no more often than
16 every two years, the monetary reporting thresholds and reporting code
17 values of this chapter. The revisions shall be only for the purpose of
18 recognizing economic changes as reflected by an inflationary index
19 recommended by the office of financial management. The revisions shall
20 be guided by the change in the index for the period commencing with the
21 month of December preceding the last revision and concluding with the
22 month of December preceding the month the revision is adopted. As to
23 each of the three general categories of this chapter (reports of
24 campaign finance, reports of lobbyist activity, and reports of the
25 financial affairs of elected and appointed officials), the revisions
26 shall equally affect all thresholds within each category, with the
27 exception of occupation and employer reporting required by RCW
28 42.17.090(1)(b), which is exempt from the revisions. Revisions shall
29 be adopted as rules under chapter 34.05 RCW. The first revision
30 authorized by this subsection shall reflect economic changes from the
31 time of the last legislative enactment affecting the respective code or
32 threshold through December 1985;

33 (12) Develop and provide to filers a system for certification of
34 reports required under this chapter which are transmitted by facsimile
35 or electronically to the commission. Implementation of the program is
36 contingent on the availability of funds.

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