S-3662.4			
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SENATE BILL 6673

State of Washington 57th Legislature

2002 Regular Session

By Senator Kastama

Read first time 01/25/2002. Referred to Committee on State & Local Government.

- 1 AN ACT Relating to the Washington clean elections act; amending RCW
- 2 42.17.095; and adding a new chapter to Title 42 RCW.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that our current 5 election-financing system:
 - (1) Gives incumbents an unhealthy advantage over challengers;
- 7 (2) Hinders communication to voters by many qualified candidates;
- 8 (3) Undermines public confidence in the integrity of public 9 officials;
- 10 (4) Drives up the cost of running for state office, discouraging
- 11 otherwise qualified candidates who lack personal wealth or access to
- 12 special interest funding; and

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- 13 (5) Requires that elected officials spend too much of their time
- 14 raising funds rather than representing the public.
- 15 <u>NEW SECTION</u>. **Sec. 2.** This chapter, to be known as the Washington
- 16 clean elections act, establishes an alternative campaign financing
- 17 option available to candidates running for state senator and state
- 18 representative. The alternative campaign financing program is funded

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- 1 entirely through voluntary donations made by individuals. The
- 2 commission shall administer this chapter and the Washington clean
- 3 elections account. Participating candidates must also comply with all
- 4 other applicable election and campaign laws and regulations.
- 5 <u>NEW SECTION.</u> **Sec. 3.** The definitions in this section apply 6 throughout this chapter unless the context clearly requires otherwise.
- 7 (1) "Account" means the Washington clean elections account 8 established under section 6 of this act.
 - (2) "Commission" means the public disclosure commission.

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- 10 (3) "General election period" means the period beginning upon 11 certification of the primary results and ending on the day of the 12 general election.
- 13 (4) "General election spending limit" means the amount of 14 distributions made to the candidate from the account during the general 15 election period.
- 16 (5) "Nonparticipating candidate" means a candidate who does not 17 become certified as a participating candidate under this chapter.
- 18 (6) "Participating candidate" means a candidate for state senator 19 or state representative who becomes certified as a participating 20 candidate under this chapter.
- 21 (7) "Primary election period" means the period from June 15th to 22 the date of the primary election during an election year.
- 23 (8) "Primary election spending limit" means the amount of 24 distributions made to the candidate from the account during the primary 25 election period.
 - (9) "Qualifying contribution" means a contribution that is:
- (a) Made during the qualifying period by an elector who at the time of the contribution is registered in the electoral district of the office the candidate is seeking and who has not given another qualifying contribution to that candidate during the election cycle;
- 31 (b) Made by a person who is not given anything of value in exchange 32 for the qualifying contribution;
 - (c) In the sum of five dollars, exactly;
- 34 (d) If made by check or money order, made payable to the 35 candidate's campaign committee or, if in cash, deposited in the 36 candidate's campaign account; and
- 37 (e) Reported to the commission in compliance with section 4 of this 38 act.

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- 1 (10) "Qualifying period" means the period beginning April 1st and 2 ending May 31st of an election year.
- NEW SECTION. Sec. 4. (1) A candidate who wishes to be certified as a participating candidate shall submit to the commission by May 31st of the election year:
- 6 (a) An application that identifies the candidate, the office that 7 the candidate plans to seek, and the candidate's political party, if 8 any;
- 9 (b) A report that provides the name and other information required 10 by the commission of at least two hundred persons who have made 11 qualifying contributions pursuant to this chapter on behalf of the 12 candidate and an amount equal to the qualifying contributions collected 13 by the candidate to be deposited in the account; and
- 14 (c) A statement signed by the candidate under oath, certifying 15 that:
- 16 (i) The candidate has complied with the restrictions of this 17 chapter during the election cycle to date;
- (ii) The candidate agrees to comply with the requirements of this chapter during the remainder of the election cycle and will not accept private campaign contributions other than qualifying contributions as provided in this chapter; and
- (iii) The candidate agrees that all money received from the account will be used exclusively for financing his or her primary or general election campaign.
- 25 (2) The commission shall, within two weeks of receipt of the 26 application, certify the candidate as a participating candidate or 27 notify the candidate that his or her application has been denied 28 including the reason for denial.
- 29 <u>NEW SECTION.</u> **Sec. 5.** Participating candidates may not:
- 30 (1) Accept any campaign contributions other than qualifying 31 contributions as specified in this chapter;
- 32 (2) Make campaign expenditures from the candidate's personal funds;
- 33 (3) Make campaign expenditures in the primary election period in 34 excess of the primary election spending limit; or
- 35 (4) Make campaign expenditures in the general election period in 36 excess of the general election spending limit.

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- 1 NEW SECTION. Sec. 6. (1) The Washington clean elections account
- 2 is created in the custody of the state treasurer. All receipts from
- 3 voluntary contributions from sources listed in subsection (2) of this
- 4 section must be deposited into the account. Expenditures from the
- 5 account may be used only for distributions under section 7 of this act.
- 6 Only the commission or the commission's designee may authorize
- 7 expenditures from the account. The account is subject to allotment
- 8 procedures under chapter 43.88 RCW, but an appropriation is not
- 9 required for expenditures.
- 10 (2) Voluntary contributions to the account may be made in the
- 11 following manner and must be deposited in the account:
- 12 (a) Qualifying contributions collected by candidates and submitted
- 13 to the commission under section 4 of this act;
- 14 (b) Contributions made to the account or the commission for the
- 15 account;
- 16 (c) Contributions made through a voluntary check off on driver's
- 17 license application and renewal forms;
- 18 (d) Contributions made through a voluntary check off on vehicle
- 19 registration and renewal forms;
- 20 (e) Contributions made through a voluntary check off on state
- 21 college and university registration forms;
- 22 (f) Contributions made through a voluntary check off on department
- 23 of fish and wildlife license and renewal forms;
- 24 (g) Contributions made through a voluntary check off on department
- 25 of natural resources license and renewal forms;
- 26 (h) Contributions made through a voluntary check off on
- 27 professional license and renewal forms; and
- 28 (i) Transfer of surplus funds under RCW 42.17.095.
- 29 <u>NEW SECTION.</u> **Sec. 7.** (1) By January 1st of each election year,
- 30 the commission shall publish an estimate of revenue in the account
- 31 available for distribution to participating candidates during the
- 32 upcoming elections.
- 33 (2) The commission may use up to ten percent of the amount in the
- 34 account for reasonable and necessary expenses of administration and
- 35 enforcement. Any portion of the ten percent not used for this purpose
- 36 must remain in the account.
- 37 (3) The commission may use up to ten percent of the amount in the
- 38 account for reasonable and necessary expenses associated with voter

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1 education. Any portion of the ten percent not used for this purpose 2 must remain in the account.

- 3 (4) The account, after administrative and educational expenses are 4 deducted, shall be divided into two equal sections, with one-half going 5 toward primary election distribution and one-half going toward general 6 election distribution.
- 7 (a) The primary election distribution shall be distributed as 8 follows:
- 9 (i) The primary election distribution shall be divided by the 10 number of participating candidates to determine the pro rata share of 11 each candidate.
- (ii) On June 15th, the commission shall pay from the primary election distribution to the campaign account of each participating candidate one-half of that candidate's pro rata share of the primary election distribution.
- (iii) At the middle of the primary election period and no later than August 1st, the commission shall pay from the primary election distribution to each participating candidate the remainder of his or her pro rata share of the primary election account.
- 20 (b) The general election distribution shall be distributed as 21 follows:
- (i) The general election distribution shall be divided by the number of participating candidates who have been certified as winners in the primary election and are not unopposed in the general election to determine the pro rata share of each candidate.
- (ii) No later than three business days after the primary results have been certified by the appropriate government agency, the commission shall distribute one-half of each eligible participating candidate's pro rata share to the candidate.
- (iii) At the middle of the general election period and no more than thirty days before the date of the general election, the commission shall distribute the remainder of each eligible participating candidate's pro rata share to the candidate.
- 34 (c) Within thirty days of the end of the appropriate election 35 period, participating candidates shall return to the commission any 36 primary election distribution that has not been expended at the end of 37 the primary election period, and any general election distribution that 38 has not been expended at the end of the general election period.

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1 **Sec. 8.** RCW 42.17.095 and 1995 c 397 s 31 are each amended to read 2 as follows:

The surplus funds of a candidate, or of a political committee supporting or opposing a candidate, may only be disposed of in any one or more of the following ways:

- 6 (1) Return the surplus to a contributor in an amount not to exceed 7 that contributor's original contribution;
- 8 (2) Transfer the surplus to the candidate's personal account as 9 reimbursement for lost earnings incurred as a result of that 10 candidate's election campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate is not salaried, as an amount 11 not to exceed income received by the candidate for services rendered 12 13 during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained 14 15 by the candidate or the candidate's political committee. The committee shall include a copy of such record when its expenditure for such 16 17 reimbursement is reported pursuant to RCW 42.17.090;
- 18 (3) Transfer the surplus without limit to a political party or to 19 a caucus political committee;
- 20 (4) Donate the surplus to a charitable organization registered in 21 accordance with chapter 19.09 RCW;
- 22 (5) Transmit the surplus to the state treasurer for deposit in the 23 general fund; $((\frac{\partial \mathbf{r}}{\partial t}))$
 - (6) Hold the surplus in the campaign depository or depositories designated in accordance with RCW 42.17.050 for possible use in a future election campaign for the same office last sought by the candidate and report any such disposition in accordance with RCW 42.17.090: PROVIDED, That if the candidate subsequently announces or publicly files for office, information as appropriate is reported to the commission in accordance with RCW 42.17.040 through 42.17.090. If a subsequent office is not sought the surplus held shall be disposed of in accordance with the requirements of this section((\cdot, \cdot)):
- 33 (7) Hold the surplus campaign funds in a separate account for nonreimbursed public office-related expenses or as provided in this section, and report any such disposition in accordance with RCW 36 42.17.090. The separate account required under this subsection shall not be used for deposits of campaign funds that are not $surplus((\cdot))$;
- 38 (8) No candidate or authorized committee may transfer funds to any 39 other candidate or other political committee;

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- 1 (9) Transfer the surplus to the Washington clean elections account.
- 2 The disposal of surplus funds under this section shall not be
- 3 considered a contribution for purposes of this chapter.
- 4 <u>NEW SECTION.</u> **Sec. 9.** The commission shall adopt rules as
- 5 necessary to implement this chapter and monitor activities under this
- 6 chapter.
- 7 NEW SECTION. Sec. 10. Sections 1 through 7 and 9 of this act
- 8 constitute a new chapter in Title 42 RCW.

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