
ENGROSSED HOUSE BILL 1189

State of Washington **60th Legislature** **2007 Regular Session**

By Representatives Dunshee, Lovick, Miloscia, Ormsby, Simpson and Hasegawa

Read first time 01/12/2007. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to campaign contributions by limited liability
2 companies; and amending RCW 42.17.660.

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

4 **Sec. 1.** RCW 42.17.660 and 2005 c 445 s 12 are each amended to read
5 as follows:

6 For purposes of this chapter:

7 (1) A contribution by a political committee with funds that have
8 all been contributed by one person who exercises exclusive control over
9 the distribution of the funds of the political committee is a
10 contribution by the controlling person.

11 (2) Two or more entities are treated as a single entity if one of
12 the two or more entities is a subsidiary, branch, or department of a
13 corporation that is participating in an election campaign or making
14 contributions, or a local unit or branch of a trade association, labor
15 union, or collective bargaining association that is participating in an
16 election campaign or making contributions. All contributions made by
17 a person or political committee whose contribution or expenditure
18 activity is financed, maintained, or controlled by a trade association,
19 labor union, collective bargaining organization, or the local unit of

1 a trade association, labor union, or collective bargaining organization
2 are considered made by the trade association, labor union, collective
3 bargaining organization, or local unit of a trade association, labor
4 union, or collective bargaining organization.

5 (3) A limited liability company and all of its affiliates are
6 treated as a single person for contribution purposes. For purposes of
7 this section: (a) An "affiliate" of a limited liability company is any
8 person who directly, or indirectly through one or more intermediaries,
9 controls, or is controlled by, or is under common control with, the
10 limited liability company; and (b) "control," including the terms
11 "controlled by" and "under common control with" means the possession,
12 direct or indirect, of the power to direct or cause the direction of
13 the management and policies of a person whether through the ownership
14 of voting securities, voting rights, by contract other than a
15 commercial contract for goods, nonmanagement services, a debt
16 obligation which is not convertible into a right to acquire a voting
17 security, or otherwise, unless the power is the result of an official
18 position with or corporate office held by the person. Control is
19 presumed to exist if a person, directly or indirectly, owns, controls,
20 holds with the power to vote, or holds proxies representing, ten
21 percent or more of the voting securities of any other person.

22 (4) The commission shall adopt rules to carry out this section and
23 is not subject to the time restrictions of RCW 42.17.370(1).

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