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## HOUSE BILL 1738

State of Washington 61st Legislature 2009 Regular Session

By Representatives Liias, Goodman, Appleton, Carlyle, Probst, Nelson, Hasegawa, Orwall, Rolfes, Dickerson, Hunt, Pettigrew, Cody, Darneille, White, Chase, Kenney, Dunshee, Ormsby, Miloscia, Moeller, Roberts, Simpson, Sells, Flannigan, Eddy, McCoy, Wood, Kagi, Wallace, Williams, and Green

Read first time 01/28/09. Referred to Committee on State Government & Tribal Affairs.

- AN ACT Relating to public funding for supreme court campaigns; amending RCW 42.17.390; adding new sections to chapter 42.17 RCW;
- 3 creating new sections; and prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. INTENT. The intent of this act is to protect the fairness of elections for the highest court in Washington 6 state - the supreme court. Doing so will foster the public's trust in the integrity and independence of the court in the face of increasingly 8 9 large sums of money raised and spent by special interest groups. 10 flood of money threatens the impartiality, independence, 11 credibility of our judiciary. To maintain public confidence in the judiciary, we must prevent not only corruption, but the appearance of 12 13 corruption, for the judiciary is the one branch of government that must be uniquely impartial, independent, and unbiased in order to best serve 14 15 the residents of Washington. It would be destructive for our democracy 16 to allow the court to become influenced by large amounts of money, and for our citizens to think that judicial decisions are influenced by 17 18 those large amounts of money. This act is necessary to ensure that our

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1 highest courts continue to be unbiased and insulated from special 2 interests.

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Therefore, this act, the judicial election reform act, introduces a voluntary pilot project to provide an alternative source of financing candidates for the Washington supreme court who demonstrate public support and voluntarily accept strict fundraising and spending limits.

<u>NEW SECTION.</u> **Sec. 2.** DEFINITIONS. The definitions in this section apply throughout sections 1 through 20 of this act unless the context clearly requires otherwise.

- (1) "Contested election" means an election in which there are two or more candidates running for the same office whose names will appear on the ballot.
- (2) "Nonparticipating candidate" means a candidate for supreme court justice who is on the ballot but has chosen not to apply for public funds from the judicial election reform act fund or a candidate who is on the ballot and has applied but has not been certified to receive public funds from the judicial election reform act fund.
- (3) "Publicly financed candidate" means a candidate who becomes certified to receive public campaign funds under section 6 of this act.
- (4) "Qualifying contribution" means a contribution of exactly ten dollars, made by a registered voter of the state, and is received during the qualifying period.
- (5) "Qualifying period" means the period beginning February 1st of the election year and ending one week after the close of the regular filing period for the office.
- 26 (6) "Uncontested election" means an election in which a candidate 27 running for a specified office has no opponent on the ballot.

28 NEW SECTION. Sec. 3. JUDICIAL ELECTION REFORM ACT FUND. (1) The judicial election reform act fund is created in the custody of the 29 30 state treasurer. All receipts under sections 4 through 19 of this act required to be deposited into the fund must be deposited into the fund. 31 Expenditures from the fund may be used only for the purposes of the 32 33 judicial election reform act, sections 1 through 20 of this act. Only 34 the commission may authorize expenditures from the fund. The fund is 35 subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. 36

- (2) When the funds in the account have been fully distributed, the commission and treasurer shall cease making any public funds disbursements under sections 1 through 20 of this act. No candidates are authorized to receive any disbursements of funds beyond those they are qualified for pursuant to sections 1 through 20 of this act, nor are any candidates authorized to receive any further disbursements of funds under sections 1 through 20 of this act when the appropriation has been exhausted. Qualifying pending requests for funds in the account at the time the account is nearing a zero balance will be addressed in the order received, to the extent any funds are available. The commission may adopt rules to address distribution of remaining
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- 12 funds in the account for pending requests.

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- NEW SECTION. Sec. 4. VOLUNTARY LIMITATIONS ON CONTRIBUTIONS FOR 13 14 JUDICIAL CAMPAIGNS. A publicly financed candidate and a publicly financed candidate's authorized committee shall: 15
  - (1) Only accept contributions from individuals, qualifying contributions under section 5 of this act;
    - (2) Not expend more than a total of one thousand dollars of the candidate's personal funds and only during the qualifying period for the purpose of raising qualifying contributions;
    - (3) Collect at least five hundred qualifying contributions that, in the aggregate total at least twenty-five times the filing fee for the office of supreme court justice in accordance with section 5 of this act;
- 25 (4) File the required reports regarding qualifying and expenditures 26 to the commission;
  - (5) Expend only funds received from the judicial election reform act fund after being certified as a publicly funded candidate;
- 29 (6) Sign a joint statement with the treasurer of the publicly financed candidate's authorized committee, under oath, promising to 30 31 comply with the provisions of this chapter; and
- 32 (7) Comply with the provisions of this chapter to the extent required for publicly funded candidates as prescribed by 33 34 commission.
- 35 NEW SECTION. Sec. 5. APPLICATION FOR CERTIFICATION. A candidate 36 who wishes to receive public campaign funds must:

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- (1) File an application with the commission declaring his or her intent to participate in the program as a candidate for the supreme court. The application must be filed before or during the qualifying period. In the application, the candidate shall affirm that only one political committee, identified with its treasurer, shall handle all contributions, expenditures, and obligations for the publicly financed candidate and that the candidate will comply with the provisions set forth in sections 1 through 20 of this act and rules adopted by the commission; and
  - (2) Obtain at least five hundred qualifying contributions that, in the aggregate total at least twenty-five times the filing fee for the office by the end of the qualifying period. No payment, gift, or anything of value may be given in exchange for a qualifying contribution. A qualifying contribution must be:
    - (a) Made by a registered voter of the state;

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- 16 (b) Made by a person who is not given anything of value in exchange 17 for the qualifying contribution;
  - (c) In an amount of at least ten dollars but not more than the contribution limit allowed for a single election under RCW 42.17.645;
- 20 (d) Received during the qualifying period by the candidate or on 21 behalf of the candidate; and
  - (e) Made by check, money order, or credit card.
- NEW SECTION. Sec. 6. CERTIFICATION AS A PUBLICLY FINANCED CANDIDATE. (1) Upon receipt of an application, the commission shall determine whether or not the candidate has complied with the following requirements:
  - (a) Signed and filed an application to participate;
  - (b) Submitted a report itemizing the qualifying contributions received. The report must include the name, home address, telephone number, and county of residence for each person who made a contribution and the date the contribution was received, and any other information required by the commission;
- 33 (c) Submitted a check or money order equal to the total qualifying 34 contributions, less money expended for the purpose of raising 35 qualifying contributions in accordance with section 7 of this act, 36 received by the candidate made out to the judicial election reform act 37 fund; and

(d) Submitted affidavits signed by persons collecting qualifying contributions stating that, to the best of his or her knowledge, the contribution was made by a registered voter of the state.

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- (2) Once the requirements in subsection (1) of this section are met, the commission must verify that pursuant to section 5 of this act, a sufficient number of qualifying contributions were made by registered voters of the state at the time the contribution was made.
- (3) The commission must determine if a candidate meets the requirements for public financing within seven calendar days of the filing of an application. If the requirements of subsection (2) of this section are met, the commission must certify the candidate for public financing. If the commission denies certification, it must provide written reasons why certification is denied. Any candidate who is denied certification may reapply one time by submitting the required information or the number of qualifying contributions needed to complete the certification within fourteen calendar days of the date of the commission's decision.
- (4) A candidate who is certified as a publicly financed candidate may use that designation in campaign materials and will be so designated in the state voters' pamphlet.
- NEW SECTION. Sec. 7. QUALIFYING CONTRIBUTIONS. A publicly candidate may expend money received as qualifying contributions, as well as the candidate's personal funds, to pay for expenses related to raising qualifying contributions. The amount of qualifying contributions used for this purpose may not exceed twentyfive percent of the minimum dollar amount of qualifying contributions required under section 5 of this act. Expenditures made for the purpose of this section must be reported as required under RCW 42.17.080 and 42.17.090 or as determined by the commission by rule.
- NEW SECTION. Sec. 8. CONTROLS ON A PUBLICLY FINANCED CANDIDATE'S
  AUTHORIZED COMMITTEE. A publicly financed candidate and the publicly
  financed candidate's authorized committee shall file the reports
  required pursuant to this chapter as determined by the commission.
- 34 NEW SECTION. Sec. 9. USES OF PUBLIC FUNDS. (1) Money in the

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- account of a publicly financed candidate's authorized committee may only be used for purposes directly related to the candidate's campaign.
- 3 (2) Money in the account of a publicly financed candidate's authorized committee may not be used to pay fines or civil penalties,
- 5 for costs or legal fees related to representation before the
- 6 commission, or for defense of an enforcement action under this chapter.
- 7 Nothing in this chapter prevents a publicly financed candidate from
- 8 having a legal defense fund.

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- 9 <u>NEW SECTION.</u> **Sec. 10.** RETURN OF FUNDS. (1) If a candidate attempts to qualify for public funding but does not meet the threshold for qualification, withdraws from the program before certification, is denied certification under section 6 of this act, or revokes participation under section 11 of this act, the candidate must pay to the fund the total dollar amount of qualifying contributions received during the qualifying period.
- 16 (2) Publicly financed candidates must return all unused funds to 17 the judicial election reform act fund within thirty calendar days of 18 the date they are no longer a candidate.
  - NEW SECTION. Sec. 11. REVOCATION. (1) A publicly financed candidate may revoke in writing to the commission a decision to participate in the public financing program no later than June 30th in the year of the election. After a timely revocation, that candidate may accept and expend money outside the provisions of this act. Within thirty days after revocation, a candidate must return to the commission all money received from the judicial election reform act fund.
    - (2) A publicly financed candidate who revokes a decision to participate in the public financing program after the time period established in subsection (1) of this section must return all money received from the judicial election reform act fund and pay a fine of one thousand dollars per day for each day beyond the allowed revocation period and the day the candidate revokes.
- NEW SECTION. Sec. 12. CAMPAIGN FUNDING. (1)(a) Within five business days after a publicly financed candidate's name is approved to appear on the primary ballot by the appropriate elections officer, the commission shall authorize the state treasurer to distribute to the

account of the authorized committee of each certified publicly financed candidate an amount set, by rule, based on the number of participating candidates filing for office. No candidate may receive an amount greater than one hundred times the filing fee as established in RCW 29A.24.091 for the primary.

- (b) Within five business days after a publicly financed candidate's name is approved to appear on the general election ballot, the commission shall authorize the state treasurer to distribute funds to the account of the authorized committee of each certified publicly financed candidate in an amount equal to one hundred twenty-five times the filing fee for the office as established in RCW 29A.24.091.
- (c) Participating candidates in uncontested elections shall receive four times the filing fee as established in RCW 29A.24.091.
- (2) A publicly financed candidate shall return within ten calendar days to the judicial election reform act fund any amount distributed for an election that is unspent and uncommitted as of the date the candidate ceases to be a candidate or as of the date of the election, whichever occurs first.
- (3) The commission shall authorize and the state treasurer shall distribute funds to publicly financed candidates in a manner that ensures accountability and safeguards the integrity of the fund.
- NEW SECTION. Sec. 13. RESCUE FUNDS. (1) When a report is filed under this chapter or other evidence comes to the attention of the commission indicating that a nonparticipating candidate has raised more money than his or her publicly financed opponent has received in public funding, the commission shall notify the publicly financed candidate of his or her eligibility for rescue funds.
- (a) A publicly financed candidate may receive rescue funds equal to the difference between the total amount received by the nonparticipating candidate for each election and the amount received by the publicly financed candidate for each election. If there are multiple nonparticipating candidates who have raised more money than the publicly financed candidate has received, the publicly financed candidate is eligible for rescue funds based on the difference between the total amount raised by the nonparticipating candidate who has received the most money and the amount received by the publicly financed candidate.

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(b) The total amount a publicly financed candidate may receive in rescue funds is five hundred times the filing fee for the office. If rescue funds are triggered under this section, up to seventy-five percent of the funds are available to a publicly financed candidate for the primary election. If a publicly financed candidate is opposed by only one candidate, all of the authorized rescue funds may be used for the primary. A publicly financed candidate may determine when to access available rescue funds.

- (2)(a) Independent expenditures and electioneering communications opposing a publicly financed candidate or supporting one or more nonparticipating opponents of a publicly financed candidate shall be considered as contributions to each opposing candidate and the commission shall authorize rescue funds pursuant to subsection (1) of this section to the publicly financed candidate.
- (b) Independent expenditures and electioneering communications supporting a publicly financed candidate shall be considered, for every opposing publicly financed candidate, as though the independent expenditures or electioneering communications were a contribution to a nonparticipating opponent and the commission shall authorize rescue funds pursuant to subsection (1) of this section to each opposing publicly financed candidate.
- (c) For purposes of this section, expenditures made by a nonparticipating candidate and independent expenditures and electioneering communications are deemed to have been made the day the independent expenditure or electioneering communication is contracted for, agreed to, or otherwise obligated.
- 27 (3) If adequate funding is not available to fully equalize funding 28 for publicly financed candidates under this section, the commission may 29 authorize a lesser amount.
- Sec. 14. REPORTING PLANNED EXPENDITURES. NEW SECTION. Within twenty-one days of an election, a nonparticipating candidate who has a publicly financed opponent must provide to the commission a report containing the expenditures planned by the nonparticipating candidate for the twenty-one days before the election and the associated costs of those expenditures. If the nonparticipating candidate does not report planned expenditures, the commission shall authorize twice the amount

- of an expenditure not reported in rescue funds to the publicly financed opponent.
  - NEW SECTION. Sec. 15. REPORTS. (1)(a) Any nonparticipating candidate who has a publicly financed opponent shall report total contributions received to the commission electronically within twenty-four hours after the total amount of contributions received exceeds eighty percent of the amount authorized for publicly financed candidates under section 12 of this act.
  - (b) Any person making independent expenditures or electioneering communications in excess of three thousand dollars in support of or opposition to a publicly financed candidate, or in support of a candidate opposing a publicly financed candidate, shall file a report with the commission within twenty-four hours of the date the independent expenditure or electioneering communication is contracted for, agreed to, or otherwise obligated. The report shall include the following information:
    - (i) The name and address of the sponsor;

- (ii) The source of funds for the independent expenditure or electioneering communication;
- 20 (iii) Any other source information required by the commission by 21 rule;
  - (iv) The name and address of the person to whom the independent expenditure or electioneering communication expenditure was made;
    - (v) A detailed description of the expenditure;
- (vi) The date the expenditure was contracted for, agreed to, or otherwise obligated;
  - (vii) The amount of the expenditure; and
- (viii) Any other information the commission may require.
  - (c) The commission may adopt rules implementing the provisions of this section, including rules that determine (i) whether filing under this section satisfies the filing requirements under other provisions of this chapter, and (ii) when the reporting requirements of this section are no longer warranted because a publicly financed candidate has received the maximum amount of rescue funds permitted by this section.
- 36 (2) Publicly financed candidates shall report in accordance with 37 rules adopted by the commission. A publicly financed candidate who

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revokes his or her participation in the program, who ceases to be a candidate, or who loses an election shall file a final report with the commission and return any unspent disbursements received from the judicial election reform act fund. In developing reporting requirements for publicly financed candidates, the commission shall use existing campaign reporting procedures when determined practicable by the commission.

- (3) Any person who fails to report a contribution or expenditure as required by this section is subject to a civil penalty equal to the contribution or expenditure not reported.
- 11 (4) The commission shall ensure prompt public access to the reports 12 received under this section.
  - NEW SECTION. Sec. 16. CIVIL PROCEEDING TO ENJOIN VIOLATION. (1) Whenever it appears that a nonparticipating candidate who has a publicly financed opponent or any person is making an independent expenditure or an electioneering communication in the form of a radio or television presentation that constitutes a violation of the reporting provisions of section 15 of this act, the commission shall initiate a civil proceeding in superior court to enjoin such violation, and may petition the court to issue an order to the broadcasting station for the discontinuance of the radio or television presentation that is in violation of section 15 of this act.
    - (2) An action under this section shall be brought in the county in which the violation is alleged to have taken place, and shall be commenced by the filing of a verified complaint, or shall be accompanied by an affidavit.
    - (3) If it is shown to the satisfaction of the court, either by verified complaint or affidavit, that the nonparticipating candidate or other person is engaged in or about to engage in any act that constitutes a violation of section 15 of this act, the court may issue a temporary restraining order to abate and prevent the continuance or recurrence of the act.
- 33 (4) The court may issue a permanent injunction to restrain, abate, 34 or prevent the continuance or recurrence of the violation of section 15 35 of this act. The court may grant declaratory relief, mandatory orders, 36 or any other relief deemed necessary to accomplish the purposes of the

- 1 injunction. The court may retain jurisdiction of the case for the
- 2 purpose of enforcing its orders.
- 3 <u>NEW SECTION.</u> **Sec. 17.** DISQUALIFICATION FROM PROGRAM. If the
- 4 commission finds that a publicly financed candidate or the publicly
- 5 financed candidate's committee is accepting or expending money outside
- 6 the provisions of sections 1 through 20 of this act, the candidate
- 7 shall be disqualified from the program, shall be subject to a civil
- 8 penalty under RCW 42.17.390, and shall return all money received from
- 9 the judicial election reform act fund.
- 10 <u>NEW SECTION.</u> **Sec. 18.** IMPLEMENTATION AND ENFORCEMENT DUTIES. The
- 11 commission shall:
- 12 (1) Prescribe forms for reports, statements, notices, and other
- documents as required by sections 1 through 20 of this act;
- 14 (2) Prepare and publish instructions to facilitate compliance with
- 15 sections 1 through 20 of this act and explaining the duties of persons
- and committees under sections 1 through 20 of this act;
- 17 (3) Adopt rules to carry out the policies of sections 1 through 20
- 18 of this act. These rules are not subject to the time restrictions of
- 19 RCW 42.17.370(1); and
- 20 (4) Enforce the provisions of sections 1 through 20 of this act,
- 21 ensure that money transferred from the judicial election reform act
- 22 fund into the account of an authorized committee of a publicly financed
- 23 candidate is spent as specified, and monitor reports filed and
- 24 financial records of candidates as needed to ensure that rescue funds
- 25 are promptly authorized to opposing qualified candidates under section
- 26 13 of this act.
- 27 NEW SECTION. Sec. 19. EXPEDITED ADMINISTRATIVE REVIEW. (1) The
- 28 commission shall develop an expedited administrative review process
- 29 that is not subject to the adjudicative proceedings of chapter 34.05
- 30 RCW. However, commission findings are subject to judicial review under
- 31 RCW 34.05.570(4).
- 32 (2) The following individuals may seek expedited administrative
- 33 review of commission decisions:
- 34 (a) Candidates and potential candidates whom the commission finds
- ineligible to participate in the program;

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1 (b) Publicly financed candidates who are denied rescue funds; and

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- 2 (c) Opponents of a publicly financed candidate who disagree with a 3 decision by the commission to grant rescue funds to a publicly financed 4 candidate.
  - (3) In an expedited administrative review process, the commission shall issue a final decision no more than five calendar days after review is requested.
    - (4) The commission may adopt rules to implement this section.
- 9 (5) Any petition for judicial review of a final decision in an expedited administrative review must be filed within five calendar days of the final decision. In any judicial review, the court shall not grant a stay or temporary relief unless it finds the conditions specified in RCW 34.05.550(3) (a), (b), and (c).
- NEW SECTION. Sec. 20. The commission shall not offer the program in sections 1 through 19 of this act until an appropriation of three million dollars is made for the program.
- 17 **Sec. 21.** RCW 42.17.390 and 2006 c 315 s 2 are each amended to read 18 as follows:
  - One or more of the following civil remedies and sanctions may be imposed by court order in addition to any other remedies provided by law:
    - (1) If the court finds that the violation of any provision of this chapter by any candidate or political committee probably affected the outcome of any election, the result of said election may be held void and a special election held within sixty days of such finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.
  - (2) If any lobbyist or sponsor of any grass roots lobbying campaign violates any of the provisions of this chapter, his or her registration may be revoked or suspended and he or she may be enjoined from receiving compensation or making expenditures for lobbying: PROVIDED, HOWEVER, That imposition of such sanction shall not excuse said lobbyist from filing statements and reports required by this chapter.

(3) Any person who violates any of the provisions of this chapter may be subject to a civil penalty of not more than ten thousand dollars for each such violation. However, a person or entity who violates RCW 42.17.640 and 42.17.645 may be subject to a civil penalty of ten thousand dollars or three times the amount of the contribution illegally made or accepted, whichever is greater.

- (4) Any person who fails to file a properly completed statement or report within the time required by this chapter may be subject to a civil penalty of ten dollars per day for each day each such delinquency continues.
- (5) Any person who fails to report a contribution or expenditure as required by this chapter may be subject to a civil penalty equivalent to the amount not reported as required.
- (6) The court may enjoin any person to prevent the doing of any act herein prohibited, or to compel the performance of any act required herein.
- (7)(a) The civil penalty for a violation of a contribution or expenditure limit established under section 4 of this act by or on behalf of a publicly financed candidate is ten times the amount by which the expenditures or contributions exceed the applicable limit. If the violation occurs within five days of an election, the civil penalty is twenty times the amount by which the expenditures or contributions exceed the applicable limit. A publicly financed candidate found to have knowingly committed a violation of the expenditure or contribution limits under section 4 of this act shall pay the applicable fines, surrender all money in the candidate's authorized committee account to the judicial election reform act fund, and will cease to be a publicly financed candidate.
- (b) In addition to any other penalties imposed by law, the civil penalty for a violation by or on behalf of a publicly financed candidate of a reporting requirement imposed by this chapter is one hundred dollars per day. A civil penalty imposed under this subsection (7)(b) may not exceed twice the amount of expenditures or contributions not reported in a timely manner. The candidate and the candidate's authorized committee are jointly and severally responsible for a civil penalty imposed under this subsection.
  - (c) The civil penalty for a violation of the revocation requirement

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- 1 imposed by sections 1 through 20 of this act is one thousand dollars
- 2 per day for each day past the period allowed for a timely revocation.
- 3 (d) The civil penalty for a violation of the reporting provisions
- 4 <u>in section 15 of this act shall be equal to the amount not reported.</u>
- 5 <u>(e) All civil penalties collected under this subsection must be</u> 6 deposited into the judicial election reform act fund.
- NEW SECTION. Sec. 22. Sections 1 through 20 of this act may be known and cited as the judicial election reform act.
- 9 <u>NEW SECTION.</u> **Sec. 23.** Sections 1 through 20 and 26 of this act 10 are each added to chapter 42.17 RCW.
- 11 <u>NEW SECTION.</u> **Sec. 24.** Captions used in this act are not part of 12 the law.
- NEW SECTION. Sec. 25. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 26. The public disclosure commission shall report to the governor and to the appropriate committees of the legislature in January of even-numbered years on the effectiveness of the judicial election reform act, sections 1 through 20 of this act, once the program is offered.

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