HOUSE BILL 2525

State of Washington 63rd Legislature 2014 Regular Session

By Representatives Carlyle, S. Hunt, Liias, Orwall, Farrell, Kagi, Roberts, Bergquist, Goodman, Freeman, Walkinshaw, and Gregerson

Read first time 01/20/14. Referred to Committee on Government Operations & Elections.

- AN ACT Relating to public funding for supreme court campaigns;
- 2 amending RCW 42.17A.750 and 2.48.130; adding new sections to chapter
- 3 42.17A RCW; creating a new section; and prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- Sec. 1. 5 NEW SECTION. INTENT. The intent of this act is to protect the fairness of elections for the highest court in Washington 6 7 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 14 be uniquely impartial, independent, and unbiased in order to best serve 15 the residents of Washington. It is destructive for our democracy to 16 allow the court to become influenced by large amounts of money, and for our citizens to think that judicial decisions are influenced by those 17 18 large amounts of money. This act is necessary to ensure that our

p. 1 HB 2525

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.

The provisions of this act shall be broadly interpreted to carry out the purpose and intent of this act.

- 9 <u>NEW SECTION.</u> **Sec. 2.** DEFINITIONS. In addition to the definitions 10 in RCW 42.17A.005, the definitions in this section apply throughout 11 sections 1 through 19 of this act unless the context clearly requires 12 otherwise.
- 13 (1) "Contested election" means an election in which there are two 14 or more candidates running for the same office whose names will appear 15 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 in an amount of at least ten dollars, but no more than twenty-five percent of the maximum contribution limit allowed under RCW 42.17A.410, 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.
- 31 (6) "Uncontested election" means an election in which a candidate 32 running for a specified office has no opponent on the ballot.
- 33 <u>NEW SECTION.</u> **Sec. 3.** JUDICIAL ELECTION REFORM ACT FUND. (1) The judicial election reform act fund is created in the custody of the 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.

Expenditures from the fund may be used only for the purposes of the judicial election reform act, sections 1 through 19 of this act. Only the commission may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

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- 6 (2) When the funds in the account have been fully distributed, the 7 commission and treasurer shall cease making any public funds 8 disbursements under section 12 of this act. No candidate may receive any disbursement of funds beyond those authorized under section 12 of 9 10 this act, nor may any candidate receive any further disbursements of funds under section 12 of this act when the appropriation has been 11 12 exhausted. The commission may adopt rules to address distribution of remaining funds in the account for pending requests. 13
- NEW SECTION. Sec. 4. VOLUNTARY LIMITATIONS ON CONTRIBUTIONS FOR JUDICIAL CAMPAIGNS. A publicly financed candidate and a publicly financed candidate's authorized committee shall:
 - (1) Only accept contributions from individuals, and only as qualifying contributions under section 5 of this act;
 - (2) During the qualifying period for the purpose of raising qualifying contributions, accept no more than two times the contribution limit under RCW 42.17A.410 of the candidate's personal funds;
 - (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;
- 27 (4) File the required reports regarding qualifying and expenditures 28 to the commission;
- 29 (5) Expend only funds received from the judicial election reform 30 act fund after being certified as a publicly funded candidate;
 - (6) Sign a joint statement with the treasurer of the publicly financed candidate's authorized committee, under oath, promising to comply with the provisions of this chapter; and
- 34 (7) Comply with the provisions of this chapter to the extent 35 required for publicly funded candidates as prescribed by the 36 commission.

p. 3 HB 2525

- NEW SECTION. Sec. 5. APPLICATION FOR CERTIFICATION. A candidate who wishes to receive public campaign funds must:
 - (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 in sections 1 through 19 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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- 18 (b) Made by a person who is not given anything of value in exchange 19 for the qualifying contribution;
 - (c) In an amount of at least ten dollars but not more than twenty-five percent of the contribution limit allowed under RCW 42.17A.410;
- 22 (d) Received during the qualifying period by the candidate or on 23 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;
- 35 (c) Submitted a check or money order equal to the total qualifying 36 contributions, less money expended for the purpose of raising

qualifying contributions received by the candidate in accordance with section 7 of this act, made out to the judicial election reform act fund; and

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- (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.
- (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.
- 21 (4) A candidate who is certified as a publicly financed candidate 22 may use that designation in campaign materials and will be so 23 designated in the state voters' pamphlet.
- 24 NEW SECTION. Sec. 7. QUALIFYING CONTRIBUTIONS. A publicly 25 candidate expend money received qualifying financed may as 26 contributions, as well as the allowed amount of the candidate's personal funds under section 4 of this act, to pay for expenses related 27 The amount of qualifying to raising qualifying contributions. 28 29 contributions used for this purpose may not exceed twenty-five percent of the minimum dollar amount of qualifying contributions required under 30 section 5 of this act. Expenditures made for the purpose of this 31 32 section must be reported as required under RCW 42.17A.235 and 42.17A.240 or as determined by the commission by rule. 33
- 34 <u>NEW SECTION.</u> **Sec. 8.** CONTROLS ON A PUBLICLY FINANCED CANDIDATE'S AUTHORIZED COMMITTEE. A publicly financed candidate and the publicly

p. 5 HB 2525

- financed candidate's authorized committee shall file the reports required pursuant to this chapter as determined by the commission.
- 3 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.
- (2) Money in the account of a publicly financed candidate's authorized committee may not be used to pay fines or civil penalties, for costs or legal fees related to representation before the commission, or for defense of an enforcement action under this chapter.
- Nothing in this chapter prevents a publicly financed candidate from having a legal defense fund.
- Sec. 10. RETURN OF FUNDS. (1) If a candidate 12 NEW SECTION. 13 attempts to qualify for public funding but does not meet the threshold for qualification, withdraws from the program before certification, is 14 15 denied certification under section 6 of this act, or participation under section 11 of this act, the candidate must pay to 16 17 the fund the total dollar amount of qualifying contributions received during the qualifying period, less money expended for the purpose of 18 19 raising qualifying contributions in accordance with section 7 of this
- 21 (2) Publicly financed candidates must return all unused funds to 22 the judicial election reform act fund within thirty calendar days of 23 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, plus the net amount of qualifying contributions previously remitted to the commission pursuant to section 6(1)(c) of this act.
- (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. DISQUALIFICATION FROM PROGRAM. If the commission finds that a publicly financed candidate or the publicly financed candidate's committee is accepting or expending money outside the provisions of section 4 of this act, the candidate shall be disqualified from the program, shall be subject to a civil penalty under RCW 42.17A.750, and shall return all money received from the judicial election reform act fund.

p. 7 HB 2525

NEW SECTION. Sec. 14. IMPLEMENTATION AND ENFORCEMENT DUTIES. In implementing the provisions of the judicial election reform act, the commission shall:

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- (1) Prescribe forms for reports, statements, notices, and other documents as required by sections 1 through 19 of this act;
- (2) Prepare and publish instructions to facilitate compliance with sections 1 through 19 of this act and explaining the duties of persons and committees under sections 1 through 19 of this act;
- 9 (3) Adopt rules to carry out the policies of sections 1 through 19 10 of this act. These rules are not subject to the time restrictions of 11 RCW 42.17A.110(1); and
- 12 (4) Enforce the provisions of sections 1 through 19 of this act, 13 ensure that money transferred from the judicial election reform act 14 fund into the account of an authorized committee of a publicly financed 15 candidate is spent as specified, and monitor reports filed and 16 financial records of candidates.
- NEW SECTION. Sec. 15. EXPEDITED ADMINISTRATIVE REVIEW. (1) The commission shall develop an expedited administrative review process that is not subject to the adjudicative proceedings of chapter 34.05 RCW. However, commission findings are subject to judicial review under RCW 34.05.570(4).
- (2) Candidates and potential candidates whom the commission finds ineligible to participate in the program may seek expedited administrative review of commission decisions.
- 25 (3) In an expedited administrative review process, the commission 26 shall issue a final decision no more than five calendar days after 27 review is requested.
 - (4) The commission may adopt rules to implement this section.
- (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. 16. The commission shall not offer the program in sections 1 through 19 of this act until one million dollars is in the judicial election reform act fund.

- Sec. 17. The commission may solicit and accept 1 NEW SECTION. 2 gifts, grants, conveyances, bequests, and devises of real or personal property, or both, in trust or otherwise, and sell, lease, exchange, 3 invest, or expend these donations or the proceeds, rents, profits, and 4 5 income from the donations except as limited by the donor's terms. Moneys received under this section shall be deposited into the judicial 6 7 election reform act fund established in section 3 of this act and may 8 only be used for the purposes of sections 1 through 19 of this act.
- 9 <u>NEW SECTION.</u> **Sec. 18.** Beginning with the fiscal year that ends 10 June 30, 2016, and annually thereafter, the legislature shall appropriate from the general fund for expenditure into the judicial election reform act fund an amount equal to the amount received the previous February under RCW 2.48.130(2).
- NEW SECTION. Sec. 19. 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 once the program is offered.
- 18 **Sec. 20.** RCW 42.17A.750 and 2013 c 166 s 1 are each amended to 19 read as follows:

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- (1) In addition to the penalties in subsection $((\frac{2}{2}))$ of this section, and any other remedies provided by law, 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:
- (a) 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 that election may be held void and a special election held within sixty days of the 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.
- (b) 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

p. 9 HB 2525

receiving compensation or making expenditures for lobbying. The imposition of a sanction shall not excuse the lobbyist from filing statements and reports required by this chapter.

- (c) A 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 violation. However, a person or entity who violates RCW 42.17A.405 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.
- (d) A 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 delinquency continues.
- (e) Each state agency director who knowingly fails to file statements required by RCW 42.17A.635 shall be subject to personal liability in the form of a civil penalty in the amount of one hundred dollars per statement. These penalties are in addition to any other civil remedies or sanctions imposed on the agency.
- (f) A 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.
- (g) Any state agency official, officer, or employee who is responsible for or knowingly directs or expends public funds in violation of RCW 42.17A.635 (2) or (3) may be subject to personal liability in the form of a civil penalty in an amount that is at least equivalent to the amount of public funds expended in the violation.
- (h) 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.
- (2)(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.

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- (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 (2)(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 imposed by section 11 of this act is one thousand dollars per day for each day past the period allowed for a timely revocation.
- 15 <u>(d) All civil penalties collected under this subsection must be</u> 16 <u>deposited into the judicial election reform act fund.</u>
- 17 <u>(3)</u> The commission may refer the following violations for criminal prosecution:
 - (a) A person who, with actual malice, violates a provision of this chapter is guilty of a misdemeanor under chapter 9.92 RCW;
 - (b) A person who, within a five-year period, with actual malice, violates three or more provisions of this chapter is guilty of a gross misdemeanor under chapter 9.92 RCW; and
 - (c) A person who, with actual malice, procures or offers any false or forged document to be filed, registered, or recorded with the commission under this chapter is guilty of a class C felony under chapter 9.94A RCW.
- 28 **Sec. 21.** RCW 2.48.130 and 1957 c 138 s 1 are each amended to read 29 as follows:
 - (1) The annual membership fees for active members shall be payable on or before February 1st of each year. The board of governors may establish the amount of such annual membership fee to be effective each year: PROVIDED, That written notice of any proposed increase in membership fee shall be sent to active members not less than sixty days prior to the effective date of such increase: PROVIDED FURTHER, That the board of governors may establish the fee at a reduced rate for

p. 11 HB 2525

- those who have been active members for less than five years in this state or elsewhere.
- (2) Effective January 1, 2015, an amount of ten dollars of each active member's annual membership fees shall be remitted to the state treasurer for deposit in the judicial election reform act fund created
- 6 <u>in section 3 of this act.</u>
- NEW SECTION. Sec. 22. Sections 1 through 19 of this act may be known and cited as the judicial election reform act.
- 9 <u>NEW SECTION.</u> **Sec. 23.** Sections 1 through 19 of this act are each added to chapter 42.17A RCW and codified with the subchapter heading of "public funding for supreme court campaigns."
- NEW SECTION. Sec. 24. 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.

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