
HOUSE BILL 2727

State of Washington 63rd Legislature 2014 Regular Session

By Representatives S. Hunt, Roberts, Ormsby, and Gregerson

Read first time 01/28/14. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to reporting by lobbyists and lobbyists' employers;
2 amending RCW 42.17A.615, 42.17A.710, and 42.17A.125; adding a new
3 section to chapter 42.17A RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the public is
6 entitled to complete disclosure regarding the influence of money in
7 politics. Therefore, the legislature intends to increase disclosure by
8 requiring electronic filing by lobbyists and lobbyists' employers.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.17A RCW
10 to read as follows:

11 (1) All agencies required to report under RCW 42.17A.635 must file
12 all reports required by this chapter electronically over the internet
13 as provided by the commission under RCW 42.17A.055.

14 (2) No later than January 1, 2015, all lobbyists and lobbyists'
15 employers required to file reports under RCW 42.17A.600, 42.17A.615,
16 42.17A.625, or 42.17A.630 must file all reports required by this
17 chapter electronically over the internet as provided by the commission
18 under RCW 42.17A.055.

1 **Sec. 3.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to
2 read as follows:

3 (1) Any lobbyist registered under RCW 42.17A.600 and any person who
4 lobbies shall file with the commission monthly reports of his or her
5 lobbying activities. The reports shall be made in the form and manner
6 prescribed by the commission and must be signed by the lobbyist. The
7 monthly report shall be filed within fifteen days after the last day of
8 the calendar month covered by the report.

9 (2) The monthly report shall contain:

10 (a) The totals of all expenditures for lobbying activities made or
11 incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's
12 employer during the period covered by the report. Expenditure totals
13 for lobbying activities shall be segregated according to financial
14 category, including compensation; food and refreshments; living
15 accommodations; advertising; travel; contributions; and other expenses
16 or services. Each individual expenditure of more than (~~twenty-five~~)
17 seventy-five dollars for entertainment shall be (~~identified by date,~~
18 ~~place, amount, and the names of all persons taking part in the~~
19 ~~entertainment, along with the dollar amount attributable to each~~
20 ~~person, including the lobbyist's portion~~) reported as follows:

21 (i) For legislative-related events in which all legislators are
22 invited, the date, place, total cost of the event;

23 (ii) For events in which ten or fewer individuals are invited,
24 excluding lobbyists, the date, place, and amount attributable to each
25 individual;

26 (iii) For events in which more than ten persons are invited,
27 excluding lobbyists, the date, place, and amount attributable to each
28 individual. It is permissible to average the cost for each attendee;
29 however, if a legislator attends such an event, he or she may request
30 that the actual cost of food or refreshment consumed by the legislator
31 be reported.

32 (b) In the case of a lobbyist employed by more than one employer,
33 the proportionate amount of expenditures in each category incurred on
34 behalf of each of the lobbyist's employers.

35 (c) An itemized listing of each contribution of money or of
36 tangible or intangible personal property, whether contributed by the
37 lobbyist personally or delivered or transmitted by the lobbyist, to any
38 candidate, elected official, or officer or employee of any agency, or

1 any political committee supporting or opposing any ballot proposition,
2 or for or on behalf of any candidate, elected official, or officer or
3 employee of any agency, or any political committee supporting or
4 opposing any ballot proposition. All contributions made to, or for the
5 benefit of, any candidate, elected official, or officer or employee of
6 any agency, or any political committee supporting or opposing any
7 ballot proposition shall be identified by date, amount, and the name of
8 the candidate, elected official, or officer or employee of any agency,
9 or any political committee supporting or opposing any ballot
10 proposition receiving, or to be benefited by each such contribution.

11 (d) The subject matter of proposed legislation or other legislative
12 activity or rule making under chapter 34.05 RCW, the state
13 administrative procedure act, and the state agency considering the
14 same, which the lobbyist has been engaged in supporting or opposing
15 during the reporting period, unless exempt under RCW 42.17A.610(2).

16 (e) A listing of each payment for an item specified in RCW
17 42.52.150(5) in excess of fifty dollars and each item specified in RCW
18 42.52.010(~~(+10)~~) (9) (d) and (f) made to a state elected official,
19 state officer, or state employee. Each item shall be identified by
20 recipient, date, and approximate value of the item.

21 (f) The total expenditures paid or incurred during the reporting
22 period by the lobbyist for lobbying purposes, whether through or on
23 behalf of a lobbyist or otherwise, for (i) political advertising as
24 defined in RCW 42.17A.005; and (ii) public relations, telemarketing,
25 polling, or similar activities if the activities, directly or
26 indirectly, are intended, designed, or calculated to influence
27 legislation or the adoption or rejection of a rule, standard, or rate
28 by an agency under the administrative procedure act. The report shall
29 specify the amount, the person to whom the amount was paid, and a brief
30 description of the activity.

31 (3) Lobbyists are not required to report the following:

32 (a) Unreimbursed personal living and travel expenses not incurred
33 directly for lobbying;

34 (b) Any expenses incurred for his or her own living accommodations;

35 (c) Any expenses incurred for his or her own travel to and from
36 hearings of the legislature;

37 (d) Any expenses incurred for telephone, and any office expenses,

1 including rent and salaries and wages paid for staff and secretarial
2 assistance.

3 (4) The commission may adopt rules to vary the content of lobbyist
4 reports to address specific circumstances, consistent with this
5 section. Lobbyist reports are subject to audit by the commission.

6 **Sec. 4.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to
7 read as follows:

8 (1) The statement of financial affairs required by RCW 42.17A.700
9 shall disclose the following information for the reporting individual
10 and each member of his or her immediate family:

11 (a) Occupation, name of employer, and business address;

12 (b) Each bank account, savings account, and insurance policy in
13 which a direct financial interest was held that exceeds twenty thousand
14 dollars at any time during the reporting period; each other item of
15 intangible personal property in which a direct financial interest was
16 held that exceeds two thousand dollars during the reporting period; the
17 name, address, and nature of the entity; and the nature and highest
18 value of each direct financial interest during the reporting period;

19 (c) The name and address of each creditor to whom the value of two
20 thousand dollars or more was owed; the original amount of each debt to
21 each creditor; the amount of each debt owed to each creditor as of the
22 date of filing; the terms of repayment of each debt; and the security
23 given, if any, for each such debt. Debts arising from a "retail
24 installment transaction" as defined in chapter 63.14 RCW (retail
25 installment sales act) need not be reported;

26 (d) Every public or private office, directorship, and position held
27 as trustee;

28 (e) All persons for whom any legislation, rule, rate, or standard
29 has been prepared, promoted, or opposed for current or deferred
30 compensation. For the purposes of this subsection, "compensation" does
31 not include payments made to the person reporting by the governmental
32 entity for which the person serves as an elected official or state
33 executive officer or professional staff member for his or her service
34 in office; the description of such actual or proposed legislation,
35 rules, rates, or standards; and the amount of current or deferred
36 compensation paid or promised to be paid;

1 (f) The name and address of each governmental entity, corporation,
2 partnership, joint venture, sole proprietorship, association, union, or
3 other business or commercial entity from whom compensation has been
4 received in any form of a total value of two thousand dollars or more;
5 the value of the compensation; and the consideration given or performed
6 in exchange for the compensation;

7 (g) The name of any corporation, partnership, joint venture,
8 association, union, or other entity in which is held any office,
9 directorship, or any general partnership interest, or an ownership
10 interest of ten percent or more; the name or title of that office,
11 directorship, or partnership; the nature of ownership interest; and:

12 (i) With respect to a governmental unit in which the official seeks or
13 holds any office or position, if the entity has received compensation
14 in any form during the preceding twelve months from the governmental
15 unit, the value of the compensation and the consideration given or
16 performed in exchange for the compensation; and (ii) the name of each
17 governmental unit, corporation, partnership, joint venture, sole
18 proprietorship, association, union, or other business or commercial
19 entity from which the entity has received compensation in any form in
20 the amount of ten thousand dollars or more during the preceding twelve
21 months and the consideration given or performed in exchange for the
22 compensation. As used in (g)(ii) of this subsection, "compensation"
23 does not include payment for water and other utility services at rates
24 approved by the Washington state utilities and transportation
25 commission or the legislative authority of the public entity providing
26 the service. With respect to any bank or commercial lending
27 institution in which is held any office, directorship, partnership
28 interest, or ownership interest, it shall only be necessary to report
29 either the name, address, and occupation of every director and officer
30 of the bank or commercial lending institution and the average monthly
31 balance of each account held during the preceding twelve months by the
32 bank or commercial lending institution from the governmental entity for
33 which the individual is an official or candidate or professional staff
34 member, or all interest paid by a borrower on loans from and all
35 interest paid to a depositor by the bank or commercial lending
36 institution if the interest exceeds two thousand four hundred dollars;

37 (h) A list, including legal or other sufficient descriptions as
38 prescribed by the commission, of all real property in the state of

1 Washington, the assessed valuation of which exceeds ten thousand
2 dollars in which any direct financial interest was acquired during the
3 preceding calendar year, and a statement of the amount and nature of
4 the financial interest and of the consideration given in exchange for
5 that interest;

6 (i) A list, including legal or other sufficient descriptions as
7 prescribed by the commission, of all real property in the state of
8 Washington, the assessed valuation of which exceeds ten thousand
9 dollars in which any direct financial interest was divested during the
10 preceding calendar year, and a statement of the amount and nature of
11 the consideration received in exchange for that interest, and the name
12 and address of the person furnishing the consideration;

13 (j) A list, including legal or other sufficient descriptions as
14 prescribed by the commission, of all real property in the state of
15 Washington, the assessed valuation of which exceeds ten thousand
16 dollars in which a direct financial interest was held. If a
17 description of the property has been included in a report previously
18 filed, the property may be listed, for purposes of this subsection
19 (1)(j), by reference to the previously filed report;

20 (k) A list, including legal or other sufficient descriptions as
21 prescribed by the commission, of all real property in the state of
22 Washington, the assessed valuation of which exceeds twenty thousand
23 dollars, in which a corporation, partnership, firm, enterprise, or
24 other entity had a direct financial interest, in which corporation,
25 partnership, firm, or enterprise a ten percent or greater ownership
26 interest was held;

27 (l) A list of each occasion, specifying date, donor, and amount, at
28 which food and beverage in excess of fifty dollars was accepted under
29 RCW 42.52.150(5), except that food and beverage does not need to be
30 reported if required to be reported under RCW 42.17A.615(2);

31 (m) A list of each occasion, specifying date, donor, and amount, at
32 which items specified in RCW 42.52.010(~~(+10+)~~) (9) (d) and (f) were
33 accepted; and

34 (n) Such other information as the commission may deem necessary in
35 order to properly carry out the purposes and policies of this chapter,
36 as the commission shall prescribe by rule.

37 (2) Where an amount is required to be reported under subsection
38 (1)(a) through (m) of this section, it shall be sufficient to comply

1 with the requirement to report whether the amount is less than four
2 thousand dollars, at least four thousand dollars but less than twenty
3 thousand dollars, at least twenty thousand dollars but less than forty
4 thousand dollars, at least forty thousand dollars but less than one
5 hundred thousand dollars, or one hundred thousand dollars or more. An
6 amount of stock may be reported by number of shares instead of by
7 market value. No provision of this subsection may be interpreted to
8 prevent any person from filing more information or more detailed
9 information than required.

10 (3) Items of value given to an official's or employee's spouse,
11 domestic partner, or family member are attributable to the official or
12 employee, except the item is not attributable if an independent
13 business, family, or social relationship exists between the donor and
14 the spouse, domestic partner, or family member.

15 **Sec. 5.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to read
16 as follows:

17 (1) At the beginning of each even-numbered calendar year, the
18 commission shall increase or decrease the dollar amounts in RCW
19 42.17A.005(26), 42.17A.405, 42.17A.410, 42.17A.445(3), 42.17A.475,
20 42.17A.615(2), and 42.17A.630(1) based on changes in economic
21 conditions as reflected in the inflationary index recommended by the
22 office of financial management. The new dollar amounts established by
23 the commission under this section shall be rounded off to amounts as
24 judged most convenient for public understanding and so as to be within
25 ten percent of the target amount equal to the base amount provided in
26 this chapter multiplied by the increase in the inflationary index since
27 July 2008.

28 (2) The commission may revise, at least once every five years but
29 no more often than every two years, the monetary reporting thresholds
30 and reporting code values of this chapter. The revisions shall be only
31 for the purpose of recognizing economic changes as reflected by an
32 inflationary index recommended by the office of financial management.
33 The revisions shall be guided by the change in the index for the period
34 commencing with the month of December preceding the last revision and
35 concluding with the month of December preceding the month the revision
36 is adopted. As to each of the three general categories of this
37 chapter, reports of campaign finance, reports of lobbyist activity, and

1 reports of the financial affairs of elected and appointed officials,
2 the revisions shall equally affect all thresholds within each category.
3 The revisions authorized by this subsection shall reflect economic
4 changes from the time of the last legislative enactment affecting the
5 respective code or threshold.

6 (3) Revisions made in accordance with subsections (1) and (2) of
7 this section shall be adopted as rules under chapter 34.05 RCW.

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