

SB 5153 - S AMD 229

By Senators Fain, Billig

ADOPTED AS AMENDED 3/11/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that the public has
4 the right to know who is contributing to election campaigns in
5 Washington state and that campaign finance disclosure deters
6 corruption, increases public confidence in Washington state
7 elections, and strengthens our representative democracy.

8 The legislature finds that campaign finance disclosure is
9 overwhelmingly supported by the citizens of Washington state as
10 evidenced by the two initiatives that largely established
11 Washington's current campaign finance system. Both passed with over
12 seventy-two percent of the popular vote, as well as winning margins
13 in every county in the state.

14 The legislature finds that nonprofit organizations are
15 increasingly engaging in campaign activities in Washington state and
16 across the country, including taking a more active role in
17 contributing to candidate and ballot proposition campaigns. In some
18 cases, these activities are occurring without adequate public
19 disclosure due to loopholes in campaign finance regulations.

20 Therefore, the legislature intends to increase transparency and
21 accountability, deter corruption, and strengthen confidence in the
22 election process by closing campaign finance disclosure loopholes and
23 requiring the disclosure of contributions and expenditures by
24 nonprofit organizations that participate significantly in Washington
25 state elections.

26 **Sec. 2.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are
27 each reenacted and amended to read as follows:

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

30 (1) "Actual malice" means to act with knowledge of falsity or
31 with reckless disregard as to truth or falsity.

1 (2) "Agency" includes all state agencies and all local agencies.
2 "State agency" includes every state office, department, division,
3 bureau, board, commission, or other state agency. "Local agency"
4 includes every county, city, town, municipal corporation, quasi-
5 municipal corporation, or special purpose district, or any office,
6 department, division, bureau, board, commission, or agency thereof,
7 or other local public agency.

8 (3) "Authorized committee" means the political committee
9 authorized by a candidate, or by the public official against whom
10 recall charges have been filed, to accept contributions or make
11 expenditures on behalf of the candidate or public official.

12 (4) "Ballot proposition" means any "measure" as defined by RCW
13 29A.04.091, or any initiative, recall, or referendum proposition
14 proposed to be submitted to the voters of the state or any municipal
15 corporation, political subdivision, or other voting constituency from
16 and after the time when the proposition has been initially filed with
17 the appropriate election officer of that constituency before its
18 circulation for signatures.

19 (5) "Benefit" means a commercial, proprietary, financial,
20 economic, or monetary advantage, or the avoidance of a commercial,
21 proprietary, financial, economic, or monetary disadvantage.

22 (6) "Bona fide political party" means:

23 (a) An organization that has been recognized as a minor political
24 party by the secretary of state;

25 (b) The governing body of the state organization of a major
26 political party, as defined in RCW 29A.04.086, that is the body
27 authorized by the charter or bylaws of the party to exercise
28 authority on behalf of the state party; or

29 (c) The county central committee or legislative district
30 committee of a major political party. There may be only one
31 legislative district committee for each party in each legislative
32 district.

33 (7) "Candidate" means any individual who seeks nomination for
34 election or election to public office. An individual seeks nomination
35 or election when he or she first:

36 (a) Receives contributions or makes expenditures or reserves
37 space or facilities with intent to promote his or her candidacy for
38 office;

39 (b) Announces publicly or files for office;

1 (c) Purchases commercial advertising space or broadcast time to
2 promote his or her candidacy; or

3 (d) Gives his or her consent to another person to take on behalf
4 of the individual any of the actions in (a) or (c) of this
5 subsection.

6 (8) "Caucus political committee" means a political committee
7 organized and maintained by the members of a major political party in
8 the state senate or state house of representatives.

9 (9) "Commercial advertiser" means any person who sells the
10 service of communicating messages or producing printed material for
11 broadcast or distribution to the general public or segments of the
12 general public whether through the use of newspapers, magazines,
13 television and radio stations, billboard companies, direct mail
14 advertising companies, printing companies, or otherwise.

15 (10) "Commission" means the agency established under RCW
16 42.17A.100.

17 (11) "Compensation" unless the context requires a narrower
18 meaning, includes payment in any form for real or personal property
19 or services of any kind. For the purpose of compliance with RCW
20 42.17A.710, "compensation" does not include per diem allowances or
21 other payments made by a governmental entity to reimburse a public
22 official for expenses incurred while the official is engaged in the
23 official business of the governmental entity.

24 (12) "Continuing political committee" means a political committee
25 that is an organization of continuing existence not established in
26 anticipation of any particular election campaign.

27 (13)(a) "Contribution" includes:

28 (i) A loan, gift, deposit, subscription, forgiveness of
29 indebtedness, donation, advance, pledge, payment, transfer of funds
30 between political committees, or anything of value, including
31 personal and professional services for less than full consideration;

32 (ii) An expenditure made by a person in cooperation,
33 consultation, or concert with, or at the request or suggestion of, a
34 candidate, a political committee, the person or persons named on the
35 candidate's or committee's registration form who direct expenditures
36 on behalf of the candidate or committee, or their agents;

37 (iii) The financing by a person of the dissemination,
38 distribution, or republication, in whole or in part, of broadcast,
39 written, graphic, or other form of political advertising or

1 electioneering communication prepared by a candidate, a political
2 committee, or its authorized agent;

3 (iv) Sums paid for tickets to fund-raising events such as dinners
4 and parties, except for the actual cost of the consumables furnished
5 at the event.

6 (b) "Contribution" does not include:

7 (i) Standard interest on money deposited in a political
8 committee's account;

9 (ii) Ordinary home hospitality;

10 (iii) A contribution received by a candidate or political
11 committee that is returned to the contributor within five business
12 days of the date on which it is received by the candidate or
13 political committee;

14 (iv) A news item, feature, commentary, or editorial in a
15 regularly scheduled news medium that is of primary interest to the
16 general public, that is in a news medium controlled by a person whose
17 business is that news medium, and that is not controlled by a
18 candidate or a political committee;

19 (v) An internal political communication primarily limited to the
20 members of or contributors to a political party organization or
21 political committee, or to the officers, management staff, or
22 stockholders of a corporation or similar enterprise, or to the
23 members of a labor organization or other membership organization;

24 (vi) The rendering of personal services of the sort commonly
25 performed by volunteer campaign workers, or incidental expenses
26 personally incurred by volunteer campaign workers not in excess of
27 fifty dollars personally paid for by the worker. "Volunteer
28 services," for the purposes of this subsection, means services or
29 labor for which the individual is not compensated by any person;

30 (vii) Messages in the form of reader boards, banners, or yard or
31 window signs displayed on a person's own property or property
32 occupied by a person. However, a facility used for such political
33 advertising for which a rental charge is normally made must be
34 reported as an in-kind contribution and counts towards any applicable
35 contribution limit of the person providing the facility;

36 (viii) Legal or accounting services rendered to or on behalf of:

37 (A) A political party or caucus political committee if the person
38 paying for the services is the regular employer of the person
39 rendering such services; or

1 (B) A candidate or an authorized committee if the person paying
2 for the services is the regular employer of the individual rendering
3 the services and if the services are solely for the purpose of
4 ensuring compliance with state election or public disclosure laws; or

5 (ix) The performance of ministerial functions by a person on
6 behalf of two or more candidates or political committees either as
7 volunteer services defined in (b)(vi) of this subsection or for
8 payment by the candidate or political committee for whom the services
9 are performed as long as:

10 (A) The person performs solely ministerial functions;

11 (B) A person who is paid by two or more candidates or political
12 committees is identified by the candidates and political committees
13 on whose behalf services are performed as part of their respective
14 statements of organization under RCW 42.17A.205; and

15 (C) The person does not disclose, except as required by law, any
16 information regarding a candidate's or committee's plans, projects,
17 activities, or needs, or regarding a candidate's or committee's
18 contributions or expenditures that is not already publicly available
19 from campaign reports filed with the commission, or otherwise engage
20 in activity that constitutes a contribution under (a)(ii) of this
21 subsection.

22 A person who performs ministerial functions under this subsection
23 (13)(b)(ix) is not considered an agent of the candidate or committee
24 as long as he or she has no authority to authorize expenditures or
25 make decisions on behalf of the candidate or committee.

26 (c) Contributions other than money or its equivalent are deemed
27 to have a monetary value equivalent to the fair market value of the
28 contribution. Services or property or rights furnished at less than
29 their fair market value for the purpose of assisting any candidate or
30 political committee are deemed a contribution. Such a contribution
31 must be reported as an in-kind contribution at its fair market value
32 and counts towards any applicable contribution limit of the provider.

33 (14) "Depository" means a bank, mutual savings bank, savings and
34 loan association, or credit union doing business in this state.

35 (15) "Elected official" means any person elected at a general or
36 special election to any public office, and any person appointed to
37 fill a vacancy in any such office.

38 (16) "Election" includes any primary, general, or special
39 election for public office and any election in which a ballot
40 proposition is submitted to the voters. An election in which the

1 qualifications for voting include other than those requirements set
2 forth in Article VI, section 1 (Amendment 63) of the Constitution of
3 the state of Washington shall not be considered an election for
4 purposes of this chapter.

5 (17) "Election campaign" means any campaign in support of or in
6 opposition to a candidate for election to public office and any
7 campaign in support of, or in opposition to, a ballot proposition.

8 (18) "Election cycle" means the period beginning on the first day
9 of January after the date of the last previous general election for
10 the office that the candidate seeks and ending on December 31st after
11 the next election for the office. In the case of a special election
12 to fill a vacancy in an office, "election cycle" means the period
13 beginning on the day the vacancy occurs and ending on December 31st
14 after the special election.

15 (19)(a) "Electioneering communication" means any broadcast,
16 cable, or satellite television or radio transmission, United States
17 postal service mailing, billboard, newspaper, or periodical that:

18 (i) Clearly identifies a candidate for a state, local, or
19 judicial office either by specifically naming the candidate, or
20 identifying the candidate without using the candidate's name;

21 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
22 otherwise published within sixty days before any election for that
23 office in the jurisdiction in which the candidate is seeking
24 election; and

25 (iii) Either alone, or in combination with one or more
26 communications identifying the candidate by the same sponsor during
27 the sixty days before an election, has a fair market value of one
28 thousand dollars or more.

29 (b) "Electioneering communication" does not include:

30 (i) Usual and customary advertising of a business owned by a
31 candidate, even if the candidate is mentioned in the advertising when
32 the candidate has been regularly mentioned in that advertising
33 appearing at least twelve months preceding his or her becoming a
34 candidate;

35 (ii) Advertising for candidate debates or forums when the
36 advertising is paid for by or on behalf of the debate or forum
37 sponsor, so long as two or more candidates for the same position have
38 been invited to participate in the debate or forum;

39 (iii) A news item, feature, commentary, or editorial in a
40 regularly scheduled news medium that is:

1 (A) Of primary interest to the general public;
2 (B) In a news medium controlled by a person whose business is
3 that news medium; and
4 (C) Not a medium controlled by a candidate or a political
5 committee;
6 (iv) Slate cards and sample ballots;
7 (v) Advertising for books, films, dissertations, or similar works
8 (A) written by a candidate when the candidate entered into a contract
9 for such publications or media at least twelve months before becoming
10 a candidate, or (B) written about a candidate;
11 (vi) Public service announcements;
12 (vii) A mailed internal political communication primarily limited
13 to the members of or contributors to a political party organization
14 or political committee, or to the officers, management staff, or
15 stockholders of a corporation or similar enterprise, or to the
16 members of a labor organization or other membership organization;
17 (viii) An expenditure by or contribution to the authorized
18 committee of a candidate for state, local, or judicial office; or
19 (ix) Any other communication exempted by the commission through
20 rule consistent with the intent of this chapter.
21 (20) "Expenditure" includes a payment, contribution,
22 subscription, distribution, loan, advance, deposit, or gift of money
23 or anything of value, and includes a contract, promise, or agreement,
24 whether or not legally enforceable, to make an expenditure.
25 "Expenditure" also includes a promise to pay, a payment, or a
26 transfer of anything of value in exchange for goods, services,
27 property, facilities, or anything of value for the purpose of
28 assisting, benefiting, or honoring any public official or candidate,
29 or assisting in furthering or opposing any election campaign. For the
30 purposes of this chapter, agreements to make expenditures, contracts,
31 and promises to pay may be reported as estimated obligations until
32 actual payment is made. "Expenditure" (~~shall~~) does not include the
33 partial or complete repayment by a candidate or political committee
34 of the principal of a loan, the receipt of which loan has been
35 properly reported.
36 (21) "Final report" means the report described as a final report
37 in RCW 42.17A.235(2).
38 (22) "General election" for the purposes of RCW 42.17A.405 means
39 the election that results in the election of a person to a state or
40 local office. It does not include a primary.

1 (23) "Gift" has the definition in RCW 42.52.010.

2 (24) "Immediate family" includes the spouse or domestic partner,
3 dependent children, and other dependent relatives, if living in the
4 household. For the purposes of the definition of "intermediary" in
5 this section, "immediate family" means an individual's spouse or
6 domestic partner, and child, stepchild, grandchild, parent,
7 stepparent, grandparent, brother, half brother, sister, or half
8 sister of the individual and the spouse or the domestic partner of
9 any such person and a child, stepchild, grandchild, parent,
10 stepparent, grandparent, brother, half brother, sister, or half
11 sister of the individual's spouse or domestic partner and the spouse
12 or the domestic partner of any such person.

13 (25)(a) "Incidental committee" means any nonprofit organization
14 not otherwise defined as a political committee but that may
15 incidentally make a contribution or an expenditure in support of, or
16 opposition to, any candidate or any ballot proposition in Washington,
17 directly or through a political committee.

18 (b) "Incidental committee" does not include any organization
19 registered under section 527 of the internal revenue code of 1986
20 that files disclosure reports with the public disclosure commission,
21 disclosure reports with the federal elections commission, or public
22 quarterly filings with the internal revenue service.

23 (26) "Incumbent" means a person who is in present possession of
24 an elected office.

25 ((+26)) (27) "Independent expenditure" means an expenditure that
26 has each of the following elements:

27 (a) It is made in support of or in opposition to a candidate for
28 office by a person who is not (i) a candidate for that office, (ii)
29 an authorized committee of that candidate for that office, (iii) a
30 person who has received the candidate's encouragement or approval to
31 make the expenditure, if the expenditure pays in whole or in part for
32 political advertising supporting that candidate or promoting the
33 defeat of any other candidate or candidates for that office, or (iv)
34 a person with whom the candidate has collaborated for the purpose of
35 making the expenditure, if the expenditure pays in whole or in part
36 for political advertising supporting that candidate or promoting the
37 defeat of any other candidate or candidates for that office;

38 (b) The expenditure pays in whole or in part for political
39 advertising that either specifically names the candidate supported or

1 opposed, or clearly and beyond any doubt identifies the candidate
2 without using the candidate's name; and

3 (c) The expenditure, alone or in conjunction with another
4 expenditure or other expenditures of the same person in support of or
5 opposition to that candidate, has a value of eight hundred dollars or
6 more. A series of expenditures, each of which is under eight hundred
7 dollars, constitutes one independent expenditure if their cumulative
8 value is eight hundred dollars or more.

9 ~~((+27+))~~ (28) (a) "Intermediary" means an individual who transmits
10 a contribution to a candidate or committee from another person unless
11 the contribution is from the individual's employer, immediate family,
12 or an association to which the individual belongs.

13 (b) A treasurer or a candidate is not an intermediary for
14 purposes of the committee that the treasurer or candidate serves.

15 (c) A professional fund-raiser is not an intermediary if the
16 fund-raiser is compensated for fund-raising services at the usual and
17 customary rate.

18 (d) A volunteer hosting a fund-raising event at the individual's
19 home is not an intermediary for purposes of that event.

20 ~~((+28+))~~ (29) "Legislation" means bills, resolutions, motions,
21 amendments, nominations, and other matters pending or proposed in
22 either house of the state legislature, and includes any other matter
23 that may be the subject of action by either house or any committee of
24 the legislature and all bills and resolutions that, having passed
25 both houses, are pending approval by the governor.

26 ~~((+29+))~~ (30) "Legislative office" means the office of a member
27 of the state house of representatives or the office of a member of
28 the state senate.

29 ~~((+30+))~~ (31) "Lobby" and "lobbying" each mean attempting to
30 influence the passage or defeat of any legislation by the legislature
31 of the state of Washington, or the adoption or rejection of any rule,
32 standard, rate, or other legislative enactment of any state agency
33 under the state administrative procedure act, chapter 34.05 RCW.
34 Neither "lobby" nor "lobbying" includes an association's or other
35 organization's act of communicating with the members of that
36 association or organization.

37 ~~((+31+))~~ (32) "Lobbyist" includes any person who lobbies either
38 in his or her own or another's behalf.

1 (~~(32)~~) (33) "Lobbyist's employer" means the person or persons
2 by whom a lobbyist is employed and all persons by whom he or she is
3 compensated for acting as a lobbyist.

4 (~~(33)~~) (34) "Ministerial functions" means an act or duty
5 carried out as part of the duties of an administrative office without
6 exercise of personal judgment or discretion.

7 (~~(34)~~) (35) "Participate" means that, with respect to a
8 particular election, an entity:

9 (a) Makes either a monetary or in-kind contribution to a
10 candidate;

11 (b) Makes an independent expenditure or electioneering
12 communication in support of or opposition to a candidate;

13 (c) Endorses a candidate before contributions are made by a
14 subsidiary corporation or local unit with respect to that candidate
15 or that candidate's opponent;

16 (d) Makes a recommendation regarding whether a candidate should
17 be supported or opposed before a contribution is made by a subsidiary
18 corporation or local unit with respect to that candidate or that
19 candidate's opponent; or

20 (e) Directly or indirectly collaborates or consults with a
21 subsidiary corporation or local unit on matters relating to the
22 support of or opposition to a candidate, including, but not limited
23 to, the amount of a contribution, when a contribution should be
24 given, and what assistance, services or independent expenditures, or
25 electioneering communications, if any, will be made or should be made
26 in support of or opposition to a candidate.

27 (~~(35)~~) (36) "Person" includes an individual, partnership, joint
28 venture, public or private corporation, association, federal, state,
29 or local governmental entity or agency however constituted,
30 candidate, committee, political committee, political party, executive
31 committee thereof, or any other organization or group of persons,
32 however organized.

33 (~~(36)~~) (37) "Political advertising" includes any advertising
34 displays, newspaper ads, billboards, signs, brochures, articles,
35 tabloids, flyers, letters, radio or television presentations, or
36 other means of mass communication, used for the purpose of appealing,
37 directly or indirectly, for votes or for financial or other support
38 or opposition in any election campaign.

39 (~~(37)~~) (38) "Political committee" means any person (except a
40 candidate or an individual dealing with his or her own funds or

1 property), organized or located inside or outside the state, having
2 the expectation of receiving contributions or making expenditures in
3 support of, or opposition to, any candidate or any ballot proposition
4 in Washington.

5 ~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means
6 the procedure for nominating a candidate to state or local office
7 under chapter 29A.52 RCW or any other primary for an election that
8 uses, in large measure, the procedures established in chapter 29A.52
9 RCW.

10 ~~((39))~~ (40) "Public office" means any federal, state, judicial,
11 county, city, town, school district, port district, special district,
12 or other state political subdivision elective office.

13 ~~((40))~~ (41) "Public record" has the definition in RCW
14 42.56.010.

15 ~~((41))~~ (42) "Recall campaign" means the period of time
16 beginning on the date of the filing of recall charges under RCW
17 29A.56.120 and ending thirty days after the recall election.

18 ~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering
19 communications, independent expenditures, or political advertising
20 means the person paying for the electioneering communication,
21 independent expenditure, or political advertising. If a person acts
22 as an agent for another or is reimbursed by another for the payment,
23 the original source of the payment is the sponsor.

24 (b) "Sponsor," for purposes of a political committee, means any
25 person, except an authorized committee, to whom any of the following
26 applies:

27 (i) The committee receives eighty percent or more of its
28 contributions either from the person or from the person's members,
29 officers, employees, or shareholders;

30 (ii) The person collects contributions for the committee by use
31 of payroll deductions or dues from its members, officers, or
32 employees.

33 ~~((43))~~ (44) "Sponsored committee" means a committee, other than
34 an authorized committee, that has one or more sponsors.

35 ~~((44))~~ (45) "State office" means state legislative office or
36 the office of governor, lieutenant governor, secretary of state,
37 attorney general, commissioner of public lands, insurance
38 commissioner, superintendent of public instruction, state auditor, or
39 state treasurer.

1 (~~(45)~~) (46) "State official" means a person who holds a state
2 office.

3 (~~(46)~~) (47) "Surplus funds" mean, in the case of a political
4 committee or candidate, the balance of contributions that remain in
5 the possession or control of that committee or candidate subsequent
6 to the election for which the contributions were received, and that
7 are in excess of the amount necessary to pay remaining debts incurred
8 by the committee or candidate with respect to that election. In the
9 case of a continuing political committee, "surplus funds" mean those
10 contributions remaining in the possession or control of the committee
11 that are in excess of the amount necessary to pay all remaining debts
12 when it makes its final report under RCW 42.17A.255.

13 (~~(47)~~) (48) "Treasurer" and "deputy treasurer" mean the
14 individuals appointed by a candidate or political committee, pursuant
15 to RCW 42.17A.210, to perform the duties specified in that section.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 42.17A
17 RCW to read as follows:

18 The commission shall provide a link on its web site to a
19 searchable database on the web site of the federal election
20 commission containing information on organizations under section 527
21 of the internal revenue code of 1986.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 42.17A
23 RCW to read as follows:

24 (1)(a) An incidental committee must file a statement of
25 organization with the commission within two weeks after the date the
26 committee first:

27 (i) Has the expectation of making contributions or expenditures
28 of at least twenty-five thousand dollars in a calendar year in any
29 election campaign, or to a political committee; and

30 (ii) Must disclose a contribution under RCW 42.17A.240(2)(d).

31 (b) If an incidental committee first meets the criteria requiring
32 filing a statement of organization as specified in (a) of this
33 subsection in the last three weeks before an election, then it must
34 file the statement of organization within three business days.

35 (c) An incidental committee that does not make contributions or
36 expenditures in the amounts specified in (a) of this subsection is
37 not required to file a statement of organization with the commission.

1 (2) The statement of organization shall include but not be
2 limited to:

3 (a) The name and address of the committee;

4 (b) The names and addresses of all related or affiliated
5 political or incidental committees or other persons, and the nature
6 of the relationship or affiliation;

7 (c) The names, addresses, and titles of its officers; or if it
8 has no officers, the names, addresses, and titles of its responsible
9 leaders and the name of the person designated as the treasurer of the
10 incidental committee;

11 (d) The name, office sought, and party affiliation of each
12 candidate whom the committee is supporting or opposing if the
13 committee contributes directly to a candidate and, if donating to a
14 political committee, the name and address of that political
15 committee;

16 (e) The ballot proposition concerned, if any, and whether the
17 committee is in favor of or opposed to such proposition; and

18 (f) Such other information as the commission may by rule
19 prescribe, in keeping with the policies and purposes of this chapter.

20 (3) Any material change in information previously submitted in a
21 statement of organization shall be reported to the commission within
22 the ten days following the change.

23 **Sec. 5.** RCW 42.17A.235 and 2011 c 60 s 23 are each amended to
24 read as follows:

25 (1) In addition to the information required under RCW 42.17A.205
26 and 42.17A.210, on the day the treasurer is designated, each
27 candidate or political committee, except for incidental committees,
28 must file with the commission a report of all contributions received
29 and expenditures made prior to that date, if any. In addition to the
30 information required under RCW 42.17A.205 and 42.17A.210, on the day
31 an incidental committee files a statement of organization with the
32 commission, each incidental committee must file with the commission a
33 report of the ten largest aggregate contributions received in the
34 current calendar year from a single person of ten thousand dollars or
35 greater, including any persons tied as the tenth largest source of
36 funds, if any, and all aggregate contributions received in the
37 current calendar year from a single person of one hundred thousand
38 dollars or greater.

1 (2) Each treasurer of a political committee or incidental
2 committee required to file a statement of organization under section
3 4 of this act shall file with the commission a report containing the
4 information required by RCW 42.17A.240 at the following intervals:

5 (a) On the twenty-first day and the seventh day immediately
6 preceding the date on which the election is held;

7 (b) On the tenth day of the first month after the election; and

8 (c) On the tenth day of each month in which no other reports are
9 required to be filed under this section only if the committee has
10 received a contribution or made an expenditure in the preceding
11 calendar month and either the total contributions received or total
12 expenditures made since the last such report exceed two hundred
13 dollars. An incidental committee must file the report required by
14 this subsection (2) only if there has been a change in its ten
15 largest contributors over ten thousand dollars during the current
16 calendar year, including any persons tied as the tenth largest
17 contributor, or if a person not previously listed in a report
18 required under this subsection (2) has contributed one hundred
19 thousand dollars or more in aggregate to the incidental committee
20 during the calendar year.

21 The report filed twenty-one days before the election shall report
22 all contributions received and expenditures made as of the end of one
23 business day before the date of the report. The report filed seven
24 days before the election shall report all contributions received and
25 expenditures made as of the end of one business day before the date
26 of the report. Reports filed on the tenth day of the month shall
27 report all contributions received and expenditures made from the
28 closing date of the last report filed through the last day of the
29 month preceding the date of the current report.

30 (3) For the period beginning the first day of the fourth month
31 preceding the date of the special election, or for the period
32 beginning the first day of the fifth month before the date of the
33 general election, and ending on the date of that special or general
34 election, each Monday the treasurer of a political committee shall
35 file with the commission a report of each bank deposit made during
36 the previous seven calendar days. The report shall contain the name
37 of each person contributing the funds and the amount contributed by
38 each person. However, persons who contribute no more than twenty-five
39 dollars in the aggregate are not required to be identified in the
40 report. A copy of the report shall be retained by the treasurer for

1 his or her records. In the event of deposits made by a deputy
2 treasurer, the copy shall be forwarded to the treasurer for his or
3 her records. Each report shall be certified as correct by the
4 treasurer or deputy treasurer making the deposit.

5 (4) The treasurer or candidate of a political committee shall
6 maintain books of account accurately reflecting all contributions and
7 expenditures on a current basis within five business days of receipt
8 or expenditure. During the eight days immediately preceding the date
9 of the election the books of account shall be kept current within one
10 business day. As specified in the committee's statement of
11 organization filed under RCW 42.17A.205, the books of account must be
12 open for public inspection by appointment at the designated place for
13 inspections between 8:00 a.m. and 8:00 p.m. on any day from the
14 eighth day immediately before the election through the day
15 immediately before the election, other than Saturday, Sunday, or a
16 legal holiday. It is a violation of this chapter for a candidate or
17 political committee to refuse to allow and keep an appointment for an
18 inspection to be conducted during these authorized times and days.
19 The appointment must be allowed at an authorized time and day for
20 such inspections that is within twenty-four hours of the time and day
21 that is requested for the inspection.

22 (5) Copies of all reports filed pursuant to this section shall be
23 readily available for public inspection by appointment, pursuant to
24 subsection (4) of this section, at the principal headquarters or, if
25 there is no headquarters, at the address of the treasurer or such
26 other place as may be authorized by the commission.

27 (6) The treasurer or candidate shall preserve books of account,
28 bills, receipts, and all other financial records of the campaign or
29 political committee for not less than five calendar years following
30 the year during which the transaction occurred.

31 (7) All reports filed pursuant to subsection (1) or (2) of this
32 section shall be certified as correct by the candidate and the
33 treasurer.

34 (8) When there is no outstanding debt or obligation, the campaign
35 fund is closed, and the campaign is concluded in all respects or in
36 the case of a political committee, the committee has ceased to
37 function and has dissolved, the treasurer shall file a final report.
38 Upon submitting a final report, the duties of the treasurer shall
39 cease and there is no obligation to make any further reports.

1 (9) By December 31, 2015, the commission shall adopt rules for
2 the dissolution of incidental committees.

3 **Sec. 6.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
4 read as follows:

5 Each report required under RCW 42.17A.235 (1) and (2) must be
6 certified as correct by the treasurer and the candidate and shall
7 disclose the following:

8 (1) The funds on hand at the beginning of the period;

9 (2) The name and address of each person who has made one or more
10 contributions during the period, together with the money value and
11 date of each contribution and the aggregate value of all
12 contributions received from each person during the campaign, or in
13 the case of a continuing political committee, the current calendar
14 year, with the following exceptions:

15 (a) Pledges in the aggregate of less than one hundred dollars
16 from any one person need not be reported;

17 (b) Income that results from a fund-raising activity conducted in
18 accordance with RCW 42.17A.230 may be reported as one lump sum, with
19 the exception of that portion received from persons whose names and
20 addresses are required to be included in the report required by RCW
21 42.17A.230;

22 (c) Contributions of no more than twenty-five dollars in the
23 aggregate from any one person during the election campaign may be
24 reported as one lump sum if the treasurer maintains a separate and
25 private list of the name, address, and amount of each such
26 contributor; ~~((and))~~

27 (d) Funds received by an incidental committee from any one person
28 need not be reported unless:

29 (i) The person is one of the committee's ten largest sources of
30 funds, including any persons tied as the tenth largest source of
31 funds, during the current calendar year, and the aggregate funds
32 received from that person during the current calendar year are ten
33 thousand dollars or greater; or

34 (ii) The person contributed one hundred thousand dollars or more
35 to the incidental committee during the current calendar year;

36 (e) The commission may suspend or modify reporting requirements
37 for contributions to an incidental committee in cases of manifestly
38 unreasonable hardship under RCW 42.17A.120; and

1 (f) The money value of contributions of postage (~~(shall be)~~) is
2 the face value of the postage;

3 (3) Each loan, promissory note, or security instrument to be used
4 by or for the benefit of the candidate or political committee made by
5 any person, including the names and addresses of the lender and each
6 person liable directly, indirectly or contingently and the date and
7 amount of each such loan, promissory note, or security instrument;

8 (4) All other contributions not otherwise listed or exempted;

9 (5) The name and address of each candidate or political committee
10 to which any transfer of funds was made, including the amounts and
11 dates of the transfers;

12 (6) The name and address of each person to whom an expenditure
13 was made in the aggregate amount of more than fifty dollars during
14 the period covered by this report, the amount, date, and purpose of
15 each expenditure, and the total sum of all expenditures;

16 (7) The name and address of each person directly compensated for
17 soliciting or procuring signatures on an initiative or referendum
18 petition, the amount of the compensation to each person, and the
19 total expenditures made for this purpose. Such expenditures shall be
20 reported under this subsection in addition to what is required to be
21 reported under subsection (6) of this section;

22 (8) The name and address of any person and the amount owed for
23 any debt, obligation, note, unpaid loan, or other liability in the
24 amount of more than two hundred fifty dollars or in the amount of
25 more than fifty dollars that has been outstanding for over thirty
26 days;

27 (9) The surplus or deficit of contributions over expenditures;

28 (10) The disposition made in accordance with RCW 42.17A.430 of
29 any surplus funds; and

30 (11) Any other information required by the commission by rule in
31 conformance with the policies and purposes of this chapter.

32 **Sec. 7.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to
33 read as follows:

34 (~~(1) An out-of-state~~) A political committee (~~(organized for the~~
35 ~~purpose of supporting or opposing candidates or ballot propositions~~
36 ~~in another state that is not otherwise required to report under RCW~~
37 ~~42.17A.205 through 42.17A.240 shall report as required in this~~
38 ~~section when it makes an expenditure supporting or opposing a~~

1 ~~Washington state candidate or political committee. The committee~~
2 ~~shall file with the commission a statement disclosing:~~

3 ~~(a) Its name and address;~~
4 ~~(b) The purposes of the out-of-state committee;~~
5 ~~(c) The names, addresses, and titles of its officers or, if it~~
6 ~~has no officers, the names, addresses, and the titles of its~~
7 ~~responsible leaders;~~

8 ~~(d) The name, office sought, and party affiliation of each~~
9 ~~candidate in the state of Washington whom the out-of-state committee~~
10 ~~is supporting or opposing and, if the committee is supporting or~~
11 ~~opposing the entire ticket of any party, the name of the party;~~

12 ~~(e) The ballot proposition supported or opposed in the state of~~
13 ~~Washington, if any, and whether the committee is in favor of or~~
14 ~~opposed to that proposition;~~

15 ~~(f) The name and address of each person residing in the state of~~
16 ~~Washington or corporation that has a place of business in the state~~
17 ~~of Washington who has made one or more contributions in the aggregate~~
18 ~~of more than twenty five dollars to the out-of-state committee during~~
19 ~~the current calendar year, together with the money value and date of~~
20 ~~the contributions;~~

21 ~~(g) The name, address, and employer of each person or corporation~~
22 ~~residing outside the state of Washington who has made one or more~~
23 ~~contributions in the aggregate of more than two thousand five hundred~~
24 ~~fifty dollars to the out-of-state committee during the current~~
25 ~~calendar year, together with the money value and date of the~~
26 ~~contributions. Annually, the commission must modify the two thousand~~
27 ~~five hundred fifty dollar limit in this subsection based on~~
28 ~~percentage change in the implicit price deflator for personal~~
29 ~~consumption expenditures for the United States as published for the~~
30 ~~most recent twelve-month period by the bureau of economic analysis of~~
31 ~~the federal department of commerce;~~

32 ~~(h) The name and address of each person in the state of~~
33 ~~Washington to whom an expenditure was made by the out-of-state~~
34 ~~committee with respect to a candidate or political committee in the~~
35 ~~aggregate amount of more than fifty dollars, the amount, date, and~~
36 ~~purpose of the expenditure, and the total sum of the expenditures;~~
37 ~~and~~

38 ~~(i) Any other information as the commission may prescribe by rule~~
39 ~~in keeping with the policies and purposes of this chapter.~~

1 ~~(2) Each statement shall be filed no later than the tenth day of~~
2 ~~the month following any month in which a contribution or other~~
3 ~~expenditure reportable under subsection (1) of this section is made.~~
4 ~~An out-of-state committee incurring an obligation to file additional~~
5 ~~statements in a calendar year may satisfy the obligation by timely~~
6 ~~filing reports that supplement previously filed information)) or~~
7 incidental committee organized outside the state of Washington is
8 subject to the same requirements under this chapter as a political
9 committee or incidental committee organized in the state of
10 Washington.

11 NEW SECTION. **Sec. 8.** This act may be known and cited as the
12 dark money elimination act.

13 NEW SECTION. **Sec. 9.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected."

SB 5153 - S AMD 229
By Senators Fain, Billig

ADOPTED AS AMENDED 3/11/2015

17 On page 1, line 2 of the title, after "contributions;" strike the
18 remainder of the title and insert "amending RCW 42.17A.235,
19 42.17A.240, and 42.17A.250; reenacting and amending RCW 42.17A.005;
20 adding new sections to chapter 42.17A RCW; and creating new
21 sections."

EFFECT: (1) Requires that an organization be a nonprofit organization, other than a registered 527 nonprofit that files disclosure reports with the PDC, disclosure reports with the FEC, or public quarterly filings with the IRS, to be considered an incidental committee.

(2) Requires that the PDC provide a link to a searchable database on the Federal Election Commission web site containing the filings of 527 organizations.

(3) Requires incidental committees to file a statement of organization and periodic reports with the PDC only after contributing or expending \$25,000 in an election campaign or to a political committee and receiving a reportable contribution.

(4) Provides that the statement of organization filed by an incidental committee with the PDC only include: Name and address of the committee, its officers, its treasurer and depository, and affiliated persons or committees; names of candidates supported or opposed; ballot measures supported or opposed; and any other

information prescribed by the PDC in keeping with the policies and purposes of chapter 42.17A RCW.

(5) Modifies the reporting threshold for contributions to incidental committees to require reporting of all aggregate contributions from a single donor of at least \$100,000 in a calendar year and the top ten sources of funds, including all persons tied for tenth, of at least \$10,000 in the calendar year.

(6) Provides that an incidental committee need only file a monthly contribution and expenditure report if it has received a reportable contribution.

(7) Requires that an incidental committee disclose all reportable contributions and received prior to filing its statement of organization.

(8) Removes authorization for the PDC to biannually modify, based on inflation, the threshold at which contributions to an incidental committee must be reported.

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