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HOUSE BILL 2560

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State of Washington

64th Legislature

2016 Regular Session

By Representatives S. Hunt, Jinkins, and Pollet; by request of Public Disclosure Commission

Read first time 01/15/16. Referred to Committee on State Government.

1 AN ACT Relating to surplus campaign funds account reporting  
2 requirements; and amending RCW 42.17A.235 and 42.17A.430.

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

4 **Sec. 1.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to  
5 read as follows:

6 (1) In addition to the information required under RCW 42.17A.205  
7 and 42.17A.210, on the day the treasurer is designated, each  
8 candidate or political committee must file with the commission a  
9 report of all contributions received and expenditures made prior to  
10 that date, if any.

11 (2) Each treasurer shall file with the commission a report  
12 containing the information required by RCW 42.17A.240 at the  
13 following intervals:

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

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

17 (c) On the tenth day of each month in which no other reports are  
18 required to be filed under this section only if the committee has  
19 received a contribution or made an expenditure in the preceding  
20 calendar month and either the total contributions received or total

1 expenditures made since the last such report exceed two hundred  
2 dollars.

3 The report filed twenty-one days before the election shall report  
4 all contributions received and expenditures made as of the end of one  
5 business day before the date of the report. The report filed seven  
6 days before the election shall report all contributions received and  
7 expenditures made as of the end of one business day before the date  
8 of the report. Reports filed on the tenth day of the month shall  
9 report all contributions received and expenditures made from the  
10 closing date of the last report filed through the last day of the  
11 month preceding the date of the current report.

12 (3) For the period beginning the first day of the fourth month  
13 preceding the date of the special election, or for the period  
14 beginning the first day of the fifth month before the date of the  
15 general election, and ending on the date of that special or general  
16 election, each Monday the treasurer shall file with the commission a  
17 report of each bank deposit made during the previous seven calendar  
18 days. The report shall contain the name of each person contributing  
19 the funds and the amount contributed by each person. However, persons  
20 who contribute no more than twenty-five dollars in the aggregate are  
21 not required to be identified in the report. A copy of the report  
22 shall be retained by the treasurer for his or her records. In the  
23 event of deposits made by a deputy treasurer, the copy shall be  
24 forwarded to the treasurer for his or her records. Each report shall  
25 be certified as correct by the treasurer or deputy treasurer making  
26 the deposit.

27 (4)(a) The treasurer or candidate shall maintain books of account  
28 accurately reflecting all contributions and expenditures on a current  
29 basis within five business days of receipt or expenditure. During the  
30 eight days immediately preceding the date of the election the books  
31 of account shall be kept current within one business day. As  
32 specified in the committee's statement of organization filed under  
33 RCW 42.17A.205, the books of account must be open for public  
34 inspection by appointment at the designated place for inspections  
35 between 8:00 a.m. and 8:00 p.m. on any day from the eighth day  
36 immediately before the election through the day immediately before  
37 the election, other than Saturday, Sunday, or a legal holiday. It is  
38 a violation of this chapter for a candidate or political committee to  
39 refuse to allow and keep an appointment for an inspection to be  
40 conducted during these authorized times and days. The appointment

1 must be allowed at an authorized time and day for such inspections  
2 that is within twenty-four hours of the time and day that is  
3 requested for the inspection.

4 (b) At the time of making the appointment, a person wishing to  
5 inspect the books of account must provide the treasurer the name and  
6 telephone number of the person wishing to inspect the books of  
7 account. The person inspecting the books of account must show photo  
8 identification before the inspection begins.

9 (c) A treasurer may refuse to show the books of account to any  
10 person who does not make an appointment or provide the required  
11 identification.

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

17 (6) Each treasurer of a surplus funds account authorized by RCW  
18 42.17A.430(7) shall file with the commission a report containing the  
19 information required by RCW 42.17A.240 on the tenth of each month  
20 only if the expenditures in the preceding calendar month or the total  
21 expenditures made since the last report exceed two hundred dollars.  
22 The report must report all surplus funds transfers received and  
23 expenditures made from the closing date of the last report filed  
24 through the last day of the month preceding the date of the current  
25 report.

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

30 ((+7)) (8) All reports filed pursuant to subsection (1) or (2)  
31 of this section shall be certified as correct by the candidate and  
32 the treasurer.

33 ((+8)) (9) When there is no outstanding debt or obligation, the  
34 campaign fund is closed, and the campaign is concluded in all  
35 respects or in the case of a political committee, the committee has  
36 ceased to function and has dissolved, the treasurer shall file a  
37 final report. Upon submitting a final report, the duties of the  
38 treasurer shall cease and there is no obligation to make any further  
39 reports.

1       **Sec. 2.** RCW 42.17A.430 and 2010 c 204 s 606 are each amended to  
2 read as follows:

3       The surplus funds of a candidate or a candidate's authorized  
4 committee may only be disposed of in any one or more of the following  
5 ways:

6       (1) Return the surplus to a contributor in an amount not to  
7 exceed that contributor's original contribution;

8       (2) Using surplus, reimburse the candidate for lost earnings  
9 incurred as a result of that candidate's election campaign. Lost  
10 earnings shall be verifiable as unpaid salary or, when the candidate  
11 is not salaried, as an amount not to exceed income received by the  
12 candidate for services rendered during an appropriate, corresponding  
13 time period. All lost earnings incurred shall be documented and a  
14 record thereof shall be maintained by the candidate or the  
15 candidate's authorized committee. The committee shall maintain a copy  
16 of this record in accordance with RCW 42.17A.235(~~(+6)~~) (5);

17       (3) Transfer the surplus without limit to a political party or to  
18 a caucus political committee;

19       (4) Donate the surplus to a charitable organization registered in  
20 accordance with chapter 19.09 RCW;

21       (5) Transmit the surplus to the state treasurer for deposit in  
22 the general fund, the Washington state legacy project, state library,  
23 and archives account under RCW 43.07.380, or the legislative  
24 international trade account under RCW 43.15.050, as specified by the  
25 candidate or political committee; or

26       (6) Hold the surplus in the depository or depositories designated  
27 in accordance with RCW 42.17A.215 for possible use in a future  
28 election campaign for the same office last sought by the candidate  
29 and report any such disposition in accordance with RCW 42.17A.240. If  
30 the candidate subsequently announces or publicly files for office,  
31 the appropriate information must be reported to the commission in  
32 accordance with RCW 42.17A.205 through 42.17A.240. If a subsequent  
33 office is not sought the surplus held shall be disposed of in  
34 accordance with the requirements of this section.

35       (7) Hold the surplus campaign funds in a separate account for  
36 nonreimbursed public office-related expenses or as provided in this  
37 section, and report any such disposition in accordance with RCW  
38 42.17A.235(6) and 42.17A.240. The separate account required under  
39 this subsection shall not be used for deposits of campaign funds that  
40 are not surplus.

1           (8) No candidate or authorized committee may transfer funds to  
2 any other candidate or other political committee.

3           The disposal of surplus funds under this section shall not be  
4 considered a contribution for purposes of this chapter.

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