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**HOUSE BILL 1833**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Dolan, Doglio, Jinkins, and Ortiz-Self; by request of Public Disclosure Commission

AN ACT Relating to financial reporting by elected and appointed officials, candidates, and appointees; and amending RCW 42.17A.120, 42.17A.700, 42.17A.710, and 42.17A.755.

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

**Sec.**  RCW 42.17A.120 and 2010 c 204 s 304 are each amended to read as follows:

(1) The commission may suspend or modify any of the reporting requirements of this chapter if it finds that literal application of this chapter works a manifestly unreasonable hardship in a particular case and the suspension or modification will not frustrate the purposes of this chapter. The commission may suspend or modify reporting requirements only after a hearing is held and the suspension or modification receives approval from a majority of the commission. A suspension or modification of the financial affairs reporting requirements in RCW 42.17A.710 may be approved for an elected official's term of office, or for up to three years for an executive state officer, where no material change in the applicant's circumstances is anticipated. The commission shall act to suspend or modify any reporting requirements:

(a) Only if it determines that facts exist that are clear and convincing proof of the findings required under this section; and

(b) Only to the extent necessary to substantially relieve the hardship.

(2) A manifestly unreasonable hardship exists if reporting the name of an entity required to be reported under RCW 42.17A.710(1)(g)(ii) would be likely to adversely affect the competitive position of any entity in which the person filing the report, or any member of his or her immediate family, holds any office, directorship, general partnership interest, or an ownership interest of ten percent or more.

(3) Requests for ((~~renewals of~~)) reporting modifications may be heard in a brief adjudicative proceeding as set forth in RCW 34.05.482 through 34.05.494 and in accordance with the standards established in this section. ((~~No initial request may be heard in a brief adjudicative proceeding. No request for renewal may be heard in a brief adjudicative proceeding if the initial request was granted more than three years previously or if the applicant is holding an office or position of employment different from the office or position held when the initial request was granted.~~))

(4) Any citizen has standing to bring an action in Thurston county superior court to contest the propriety of any order entered under this section within one year from the date of the entry of the order.

(5) The commission shall adopt rules governing the proceedings.

**Sec.**  RCW 42.17A.700 and 2010 c 204 s 901 are each amended to read as follows:

(1) After January 1st and before April 15th of each year, every elected official and every executive state officer shall file with the commission a statement of financial affairs for the preceding calendar year. However, any local elected official whose term of office ends on December 31st shall file the statement required to be filed by this section for the final year of his or her term.

(2) Within two weeks of becoming a candidate, every candidate shall file with the commission a statement of financial affairs for the preceding twelve months.

(3)(a) Within two weeks of appointment, every person appointed to a vacancy in an elective office or executive state officer position during the months of January through November shall file with the commission a statement of financial affairs for the preceding twelve months.

(b) No later than January 15th, a person appointed to a vacancy in an elective office or executive state officer position during the month of December shall file with the commission a statement of financial affairs for the period beginning twelve months prior to the appointment and ending December 31st of the year in which the appointment occurred. This initial report also satisfies the filing requirement set out in subsection (1) of this section.

(4) A statement of a candidate or appointee filed during the period from January 1st to April 15th shall cover the period from January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of the statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year.

(5) No individual may be required to file more than once in any calendar year.

(6) Each statement of financial affairs filed under this section shall be sworn as to its truth and accuracy.

(7) Every elected official and every executive state officer shall file with their statement of financial affairs a statement certifying that they have read and are familiar with RCW 42.17A.555 or 42.52.180, whichever is applicable.

(8) For the purposes of this section, the term "executive state officer" includes those listed in RCW 42.17A.705.

(9) This section does not apply to incumbents or candidates for a federal office or the office of precinct committee officer.

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

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

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

(b)(i) Each bank account, savings account, and insurance policy in which a direct financial interest was held that exceeds ((~~twenty~~)) twenty-four thousand dollars at any time during the reporting period, and its highest value during the reporting period; and

(ii) Each other item of intangible personal property in which a direct financial interest was held that exceeds ((~~two~~)) five thousand dollars during the reporting period((~~; the name, address, and nature of the entity; and the nature and highest value of each direct financial interest during the reporting period~~)). For each reportable interest under this subsection (1)(b)(ii), the disclosure must include the name and nature of the direct financial interest and its value. For purposes of reporting the value of any reportable direct financial interest held on December 31st of the reporting period, the year-end value may be used. When reporting the value of any reportable direct financial interest not held on December 31st of the reporting period, the highest value during the reporting period must be used. Ownership of shares of multiple mutual funds within the same mutual fund family may be disclosed by reporting the mutual fund family name;

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

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

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

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

(g) The name of any corporation, partnership, joint venture, association, union, or other entity in which is held any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more; the name or title of that office, directorship, or partnership; the nature of ownership interest; and: (i) With respect to a governmental unit in which the official seeks or holds any office or position, if the entity has received compensation in any form during the preceding twelve months from the governmental unit, the value of the compensation and the consideration given or performed in exchange for the compensation; and (ii) the name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which the entity has received compensation in any form in the amount of ((~~ten~~)) twelve thousand dollars or more during the preceding twelve months and the consideration given or performed in exchange for the compensation. As used in (g)(ii) of this subsection, "compensation" does not include payment for water and other utility services at rates approved by the Washington state utilities and transportation commission or the legislative authority of the public entity providing the service. With respect to any bank or commercial lending institution in which is held any office, directorship, partnership interest, or ownership interest, it shall only be necessary to report either the name, address, and occupation of every director and officer of the bank or commercial lending institution and the average monthly balance of each account held during the preceding twelve months by the bank or commercial lending institution from the governmental entity for which the individual is an official or candidate or professional staff member, or all interest paid by a borrower on loans from and all interest paid to a depositor by the bank or commercial lending institution if the interest exceeds two thousand ((~~four~~)) nine hundred dollars;

(h) Except as provided in subsection (2) of this section, a list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ((~~ten~~)) twelve thousand dollars in which any direct financial interest was acquired during the preceding calendar year, and a statement of the amount and nature of the financial interest and of the consideration given in exchange for that interest;

(i) Except as provided in subsection (2) of this section, a list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ((~~ten~~)) twelve thousand dollars in which any direct financial interest was divested during the preceding calendar year, and a statement of the amount and nature of the consideration received in exchange for that interest, and the name and address of the person furnishing the consideration;

(j) Except as provided in subsection (2) of this section, a list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ((~~ten~~)) twelve thousand dollars in which a direct financial interest was held. If a description of the property has been included in a report previously filed, the property may be listed, for purposes of this subsection (1)(j), by reference to the previously filed report;

(k) Except as provided in subsection (2) of this section, a list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ((~~twenty~~)) twenty-four thousand dollars, in which a corporation, partnership, firm, enterprise, or other entity had a direct financial interest, in which corporation, partnership, firm, or enterprise a ten percent or greater ownership interest was held;

(l) A list of each occasion, specifying date, donor, and amount, at which food and beverage in excess of fifty dollars was accepted under RCW 42.52.150(5);

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

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

(2) When judges, prosecutors, sheriffs, or their immediate family members are required to disclose real property that is the personal residence of the judge, prosecutor, or sheriff, subsection (1)(h) through (k) of this section may be satisfied by listing the city or town for the mailing address where the property is located.

(3)(a) Where an amount is required to be reported under subsection (1)(a) through (m) of this section, it ((~~shall be sufficient to comply with the requirement to report whether the amount is less than four thousand dollars, at least four thousand dollars but less than twenty thousand dollars, at least twenty thousand dollars but less than forty thousand dollars, at least forty thousand dollars but less than one hundred thousand dollars, or one hundred thousand dollars or more~~)) may be reported as provided in (b) of this subsection.

(b)

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| Code A | Less than $30,000 |
| Code B | At least $30,000 but less than $60,000 |
| Code C | At least $60,000 but less than $100,000 |
| Code D | At least $100,000 but less than $200,000 |
| Code E | At least $200,000 but less than $500,000 |
| Code F | At least $500,000 but less than $750,000 |
| Code G | At least $750,000 but less than $1,000,000 |
| Code H | $1,000,000 or more |

(c) An amount of stock may be reported by number of shares instead of by market value.

(d) No provision of this subsection (3) may be interpreted to prevent any person from filing more information or more detailed information than required.

((~~(3)~~)) (4) Items of value given to an official's or employee's spouse, domestic partner, or family member are attributable to the official or employee, except the item is not attributable if an independent business, family, or social relationship exists between the donor and the spouse, domestic partner, or family member.

**Sec.**  RCW 42.17A.755 and 2011 c 145 s 7 are each amended to read as follows:

(1) The commission may (a) determine whether an actual violation of this chapter has occurred; and (b) issue and enforce an appropriate order following such a determination.

(2) The commission, in cases where it chooses to determine whether an actual violation has occurred, shall hold a hearing pursuant to the administrative procedure act, chapter 34.05 RCW, to make a determination. Any order that the commission issues under this section shall be pursuant to such a hearing.

(3) In lieu of holding a hearing or issuing an order under this section, the commission may refer the matter to the attorney general or other enforcement agency as provided in RCW 42.17A.105.

(4) The person against whom an order is directed under this section shall be designated as the respondent. The order may require the respondent to cease and desist from the activity that constitutes a violation and in addition, or alternatively, may impose one or more of the remedies provided in RCW 42.17A.750(1) (b) through ((~~(e)~~)) (f). The commission may order the respondent to take specific action to comply with this chapter. The commission may assess a penalty in an amount not to exceed ten thousand dollars.

(5) The commission has the authority to waive a fine for a first-time violation. A second violation of the same rule by the same person or individual, regardless if the person or individual committed the violation for a different political committee, shall result in a fine. Succeeding violations of the same rule shall result in successively increased fines.

(6) An order issued by the commission under this section shall be subject to judicial review under the administrative procedure act, chapter 34.05 RCW. If the commission's order is not satisfied and no petition for review is filed within thirty days, the commission may petition a court of competent jurisdiction of any county in which a petition for review could be filed under that section, for an order of enforcement. Proceedings in connection with the commission's petition shall be in accordance with RCW 42.17A.760.

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