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ENGROSSED SUBSTITUTE HOUSE BILL 1807

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State of Washington

65th Legislature

2017 Regular Session

**By** House State Government, Elections & Information Technology (originally sponsored by Representatives Pellicciotti, Hudgins, Riccelli, Orwall, Kirby, Macri, Pollet, Appleton, Wylie, Fitzgibbon, Sawyer, Frame, Lovick, Reeves, Slatter, Chapman, Ryu, Kagi, Doglio, Ortiz-Self, McBride, Farrell, Ormsby, and Bergquist)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to increasing transparency of contributions by  
2 creating the Washington state DISCLOSE act of 2017; amending RCW  
3 42.17A.235 and 42.17A.240; reenacting and amending RCW 42.17A.005;  
4 adding new sections to chapter 42.17A RCW; and creating new sections.

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

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

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

17 The legislature finds that nonprofit organizations are  
18 increasingly engaging in campaign activities in Washington state and  
19 across the country, including taking a more active role in  
20 contributing to candidate and ballot proposition campaigns. In some

1 cases, these activities are occurring without adequate public  
2 disclosure due to loopholes in campaign finance regulations.

3 The legislature finds that nonprofit organizations may form  
4 political committees using the funds contributed only by those  
5 members wishing to further the organization's campaign activity.  
6 However, many members of nonprofit organizations wish to use the  
7 provisions of current law to anonymously contribute to campaign  
8 activity, frustrating the purposes of public disclosure laws.

9 Therefore, the legislature intends to increase transparency and  
10 accountability, deter corruption, and strengthen confidence in the  
11 election process by closing campaign finance disclosure loopholes and  
12 requiring the disclosure of contributions and expenditures by  
13 nonprofit organizations that participate significantly in Washington  
14 state elections.

15 NEW SECTION. **Sec. 2.** This act may be known and cited as the  
16 democracy is strengthened by casting light on spending in elections  
17 act of 2017 or the Washington state DISCLOSE act of 2017.

18 **Sec. 3.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are  
19 each reenacted and amended to read as follows:

20 The definitions in this section apply throughout this chapter  
21 unless the context clearly requires otherwise.

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

24 (2) "Agency" includes all state agencies and all local agencies.  
25 "State agency" includes every state office, department, division,  
26 bureau, board, commission, or other state agency. "Local agency"  
27 includes every county, city, town, municipal corporation, quasi-  
28 municipal corporation, or special purpose district, or any office,  
29 department, division, bureau, board, commission, or agency thereof,  
30 or other local public agency.

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

35 (4) "Ballot proposition" means any "measure" as defined by RCW  
36 29A.04.091, or any initiative, recall, or referendum proposition  
37 proposed to be submitted to the voters of the state or any municipal  
38 corporation, political subdivision, or other voting constituency from

1 and after the time when the proposition has been initially filed with  
2 the appropriate election officer of that constituency before its  
3 circulation for signatures.

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

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

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

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

14 (c) The county central committee or legislative district  
15 committee of a major political party. There may be only one  
16 legislative district committee for each party in each legislative  
17 district.

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

21 (a) Receives contributions or makes expenditures or reserves  
22 space or facilities with intent to promote his or her candidacy for  
23 office;

24 (b) Announces publicly or files for office;

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

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

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

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

39 (10) "Commission" means the agency established under RCW  
40 42.17A.100.

1 (11) "Compensation" unless the context requires a narrower  
2 meaning, includes payment in any form for real or personal property  
3 or services of any kind. For the purpose of compliance with RCW  
4 42.17A.710, "compensation" does not include per diem allowances or  
5 other payments made by a governmental entity to reimburse a public  
6 official for expenses incurred while the official is engaged in the  
7 official business of the governmental entity.

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

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

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

16 (ii) An expenditure made by a person in cooperation,  
17 consultation, or concert with, or at the request or suggestion of, a  
18 candidate, a political committee, the person or persons named on the  
19 candidate's or committee's registration form who direct expenditures  
20 on behalf of the candidate or committee, or their agents;

21 (iii) The financing by a person of the dissemination,  
22 distribution, or republication, in whole or in part, of broadcast,  
23 written, graphic, or other form of political advertising or  
24 electioneering communication prepared by a candidate, a political  
25 committee, or its authorized agent;

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

29 (b) "Contribution" does not include:

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

32 (ii) Ordinary home hospitality;

33 (iii) A contribution received by a candidate or political  
34 committee that is returned to the contributor within five business  
35 days of the date on which it is received by the candidate or  
36 political committee;

37 (iv) A news item, feature, commentary, or editorial in a  
38 regularly scheduled news medium that is of primary interest to the  
39 general public, that is in a news medium controlled by a person whose

1 business is that news medium, and that is not controlled by a  
2 candidate or a political committee;

3 (v) An internal political communication primarily limited to the  
4 members of or contributors to a political party organization or  
5 political committee, or to the officers, management staff, or  
6 stockholders of a corporation or similar enterprise, or to the  
7 members of a labor organization or other membership organization;

8 (vi) The rendering of personal services of the sort commonly  
9 performed by volunteer campaign workers, or incidental expenses  
10 personally incurred by volunteer campaign workers not in excess of  
11 fifty dollars personally paid for by the worker. "Volunteer  
12 services," for the purposes of this subsection, means services or  
13 labor for which the individual is not compensated by any person;

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

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

21 (A) A political party or caucus political committee if the person  
22 paying for the services is the regular employer of the person  
23 rendering such services; or

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

28 (ix) The performance of ministerial functions by a person on  
29 behalf of two or more candidates or political committees either as  
30 volunteer services defined in (b)(vi) of this subsection or for  
31 payment by the candidate or political committee for whom the services  
32 are performed as long as:

33 (A) The person performs solely ministerial functions;

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

38 (C) The person does not disclose, except as required by law, any  
39 information regarding a candidate's or committee's plans, projects,  
40 activities, or needs, or regarding a candidate's or committee's

1 contributions or expenditures that is not already publicly available  
2 from campaign reports filed with the commission, or otherwise engage  
3 in activity that constitutes a contribution under (a)(ii) of this  
4 subsection.

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

9 (c) Contributions other than money or its equivalent are deemed  
10 to have a monetary value equivalent to the fair market value of the  
11 contribution. Services or property or rights furnished at less than  
12 their fair market value for the purpose of assisting any candidate or  
13 political committee are deemed a contribution. Such a contribution  
14 must be reported as an in-kind contribution at its fair market value  
15 and counts towards any applicable contribution limit of the provider.

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

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

21 (16) "Election" includes any primary, general, or special  
22 election for public office and any election in which a ballot  
23 proposition is submitted to the voters. An election in which the  
24 qualifications for voting include other than those requirements set  
25 forth in Article VI, section 1 (Amendment 63) of the Constitution of  
26 the state of Washington shall not be considered an election for  
27 purposes of this chapter.

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

31 (18) "Election cycle" means the period beginning on the first day  
32 of January after the date of the last previous general election for  
33 the office that the candidate seeks and ending on December 31st after  
34 the next election for the office. In the case of a special election  
35 to fill a vacancy in an office, "election cycle" means the period  
36 beginning on the day the vacancy occurs and ending on December 31st  
37 after the special election.

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

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

4 (ii) Is broadcast, transmitted, mailed, erected, distributed, or  
5 otherwise published within sixty days before any election for that  
6 office in the jurisdiction in which the candidate is seeking  
7 election; and

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

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

13 (i) Usual and customary advertising of a business owned by a  
14 candidate, even if the candidate is mentioned in the advertising when  
15 the candidate has been regularly mentioned in that advertising  
16 appearing at least twelve months preceding his or her becoming a  
17 candidate;

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

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

24 (A) Of primary interest to the general public;

25 (B) In a news medium controlled by a person whose business is  
26 that news medium; and

27 (C) Not a medium controlled by a candidate or a political  
28 committee;

29 (iv) Slate cards and sample ballots;

30 (v) Advertising for books, films, dissertations, or similar works  
31 (A) written by a candidate when the candidate entered into a contract  
32 for such publications or media at least twelve months before becoming  
33 a candidate, or (B) written about a candidate;

34 (vi) Public service announcements;

35 (vii) A mailed internal political communication primarily limited  
36 to the members of or contributors to a political party organization  
37 or political committee, or to the officers, management staff, or  
38 stockholders of a corporation or similar enterprise, or to the  
39 members of a labor organization or other membership organization;

1 (viii) An expenditure by or contribution to the authorized  
2 committee of a candidate for state, local, or judicial office; or

3 (ix) Any other communication exempted by the commission through  
4 rule consistent with the intent of this chapter.

5 (20) "Expenditure" includes a payment, contribution,  
6 subscription, distribution, loan, advance, deposit, or gift of money  
7 or anything of value, and includes a contract, promise, or agreement,  
8 whether or not legally enforceable, to make an expenditure.  
9 "Expenditure" also includes a promise to pay, a payment, or a  
10 transfer of anything of value in exchange for goods, services,  
11 property, facilities, or anything of value for the purpose of  
12 assisting, benefiting, or honoring any public official or candidate,  
13 or assisting in furthering or opposing any election campaign. For the  
14 purposes of this chapter, agreements to make expenditures, contracts,  
15 and promises to pay may be reported as estimated obligations until  
16 actual payment is made. "Expenditure" shall not include the partial  
17 or complete repayment by a candidate or political committee of the  
18 principal of a loan, the receipt of which loan has been properly  
19 reported.

20 (21) "Final report" means the report described as a final report  
21 in RCW 42.17A.235(2).

22 (22) "General election" for the purposes of RCW 42.17A.405 means  
23 the election that results in the election of a person to a state or  
24 local office. It does not include a primary.

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

26 (24) "Immediate family" includes the spouse or domestic partner,  
27 dependent children, and other dependent relatives, if living in the  
28 household. For the purposes of the definition of "intermediary" in  
29 this section, "immediate family" means an individual's spouse or  
30 domestic partner, and child, stepchild, grandchild, parent,  
31 stepparent, grandparent, brother, half brother, sister, or half  
32 sister of the individual and the spouse or the domestic partner of  
33 any such person and a child, stepchild, grandchild, parent,  
34 stepparent, grandparent, brother, half brother, sister, or half  
35 sister of the individual's spouse or domestic partner and the spouse  
36 or the domestic partner of any such person.

37 (25)(a) "Incidental committee" means any nonprofit organization  
38 not otherwise defined as a political committee but that may  
39 incidentally make a contribution or an expenditure in support of, or



1 opposition to, any candidate or any ballot proposition in Washington,  
2 directly or through a political committee.

3 (b) "Incidental committee" does not include:

4 (i) Any organization registered under section 527 of the internal  
5 revenue code of 1986 that files disclosure reports with the public  
6 disclosure commission, disclosure reports with the federal elections  
7 commission, or public quarterly, semiannual, or monthly filings with  
8 the internal revenue service; or

9 (ii) Any organization that files a lobbyist registration form in  
10 Washington state that includes the information required by RCW  
11 42.17A.600(1)(i). The organization must file the registration form  
12 electronically when an electronic filing method is available. The  
13 organization must update the information required by RCW  
14 42.17A.600(1)(i) within sixty days before any primary, general, or  
15 special election if the organization has made or expects to make more  
16 than twenty-five thousand dollars in contributions that calendar year  
17 and according to the schedule for contribution and expenditure  
18 reports under RCW 42.17A.235(2) if there are any changes to the  
19 information required by RCW 42.17A.600(1)(i) within thirty days  
20 before an election.

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

23 ~~((+26+))~~ (27) "Independent expenditure" means an expenditure that  
24 has each of the following elements:

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

36 (b) The expenditure pays in whole or in part for political  
37 advertising that either specifically names the candidate supported or  
38 opposed, or clearly and beyond any doubt identifies the candidate  
39 without using the candidate's name; and

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

7 ~~((27))~~ (28)(a) "Intermediary" means an individual who transmits  
8 a contribution to a candidate or committee from another person unless  
9 the contribution is from the individual's employer, immediate family,  
10 or an association to which the individual belongs.

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

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

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

18 ~~((28))~~ (29) "Legislation" means bills, resolutions, motions,  
19 amendments, nominations, and other matters pending or proposed in  
20 either house of the state legislature, and includes any other matter  
21 that may be the subject of action by either house or any committee of  
22 the legislature and all bills and resolutions that, having passed  
23 both houses, are pending approval by the governor.

24 ~~((29))~~ (30) "Legislative office" means the office of a member  
25 of the state house of representatives or the office of a member of  
26 the state senate.

27 ~~((30))~~ (31) "Lobby" and "lobbying" each mean attempting to  
28 influence the passage or defeat of any legislation by the legislature  
29 of the state of Washington, or the adoption or rejection of any rule,  
30 standard, rate, or other legislative enactment of any state agency  
31 under the state administrative procedure act, chapter 34.05 RCW.  
32 Neither "lobby" nor "lobbying" includes an association's or other  
33 organization's act of communicating with the members of that  
34 association or organization.

35 ~~((31))~~ (32) "Lobbyist" includes any person who lobbies either  
36 in his or her own or another's behalf.

37 ~~((32))~~ (33) "Lobbyist's employer" means the person or persons  
38 by whom a lobbyist is employed and all persons by whom he or she is  
39 compensated for acting as a lobbyist.

1       (~~(33)~~) (34) "Ministerial functions" means an act or duty  
2 carried out as part of the duties of an administrative office without  
3 exercise of personal judgment or discretion.

4       (~~(34)~~) (35) "Participate" means that, with respect to a  
5 particular election, an entity:

6       (a) Makes either a monetary or in-kind contribution to a  
7 candidate;

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

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

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

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

24       (~~(35)~~) (36) "Person" includes an individual, partnership, joint  
25 venture, public or private corporation, association, federal, state,  
26 or local governmental entity or agency however constituted,  
27 candidate, committee, political committee, political party, executive  
28 committee thereof, or any other organization or group of persons,  
29 however organized.

30       (~~(36)~~) (37) "Political advertising" includes any advertising  
31 displays, newspaper ads, billboards, signs, brochures, articles,  
32 tabloids, flyers, letters, radio or television presentations, or  
33 other means of mass communication, used for the purpose of appealing,  
34 directly or indirectly, for votes or for financial or other support  
35 or opposition in any election campaign.

36       (~~(37)~~) (38) "Political committee" means any person (except a  
37 candidate or an individual dealing with his or her own funds or  
38 property) having the expectation of receiving contributions or making  
39 expenditures in support of, or opposition to, any candidate or any  
40 ballot proposition.

1        ~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means  
2 the procedure for nominating a candidate to state or local office  
3 under chapter 29A.52 RCW or any other primary for an election that  
4 uses, in large measure, the procedures established in chapter 29A.52  
5 RCW.

6        ~~((39))~~ (40) "Public office" means any federal, state, judicial,  
7 county, city, town, school district, port district, special district,  
8 or other state political subdivision elective office.

9        ~~((40))~~ (41) "Public record" has the definition in RCW  
10 42.56.010.

11        ~~((41))~~ (42) "Recall campaign" means the period of time  
12 beginning on the date of the filing of recall charges under RCW  
13 29A.56.120 and ending thirty days after the recall election.

14        ~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering  
15 communications, independent expenditures, or political advertising  
16 means the person paying for the electioneering communication,  
17 independent expenditure, or political advertising. If a person acts  
18 as an agent for another or is reimbursed by another for the payment,  
19 the original source of the payment is the sponsor.

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

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

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

29        ~~((43))~~ (44) "Sponsored committee" means a committee, other than  
30 an authorized committee, that has one or more sponsors.

31        ~~((44))~~ (45) "State office" means state legislative office or  
32 the office of governor, lieutenant governor, secretary of state,  
33 attorney general, commissioner of public lands, insurance  
34 commissioner, superintendent of public instruction, state auditor, or  
35 state treasurer.

36        ~~((45))~~ (46) "State official" means a person who holds a state  
37 office.

38        ~~((46))~~ (47) "Surplus funds" mean, in the case of a political  
39 committee or candidate, the balance of contributions that remain in  
40 the possession or control of that committee or candidate subsequent

1 to the election for which the contributions were received, and that  
2 are in excess of the amount necessary to pay remaining debts incurred  
3 by the committee or candidate with respect to that election. In the  
4 case of a continuing political committee, "surplus funds" mean those  
5 contributions remaining in the possession or control of the committee  
6 that are in excess of the amount necessary to pay all remaining debts  
7 when it makes its final report under RCW 42.17A.255.

8 ~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the  
9 individuals appointed by a candidate or political committee, pursuant  
10 to RCW 42.17A.210, to perform the duties specified in that section.

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

13 (1) The commission shall provide a link on its web site to a  
14 searchable database on the web site of the federal election  
15 commission containing information on organizations under section 527  
16 of the internal revenue code of 1986.

17 (2) The commission shall ensure that individual entries in  
18 contribution reports published on the commission's web site link to  
19 the lobbying disclosure reports of specific contributors, where the  
20 contributor has filed a lobbying disclosure report.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 42.17A  
22 RCW to read as follows:

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

26 (i) Has the expectation of making contributions, other than in-  
27 kind contributions of staff time and office-related equipment,  
28 resources, and rent to an affiliated committee, or expenditures of at  
29 least twenty-five thousand dollars in a calendar year in any election  
30 campaign, or to a political committee or an incidental committee; and

31 (ii) Must disclose a payment received under RCW 42.17A.240(2)(d).

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

36 (c) An incidental committee that does not make contributions or  
37 expenditures in the amounts specified in (a) of this subsection is  
38 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. 6.** RCW 42.17A.235 and 2015 c 54 s 1 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 must file with the commission a  
28 report of all contributions received and expenditures made prior to  
29 that date, if any. In addition to the information required under RCW  
30 42.17A.205 and 42.17A.210, on the day an incidental committee files a  
31 statement of organization with the commission, each incidental  
32 committee must file with the commission a report of any expenditures  
33 under RCW 42.17A.240(6), as well as the ten largest aggregate  
34 payments it received in the current calendar year from a single  
35 person of ten thousand dollars or greater, including any persons tied  
36 as the tenth largest source of payments it received, if any, and all  
37 aggregate payments it received in the current calendar year from a  
38 single person with a value of one hundred thousand dollars or  
39 greater.

1           (2) Each treasurer of a political committee or incidental  
2 committee required to file a statement of organization under this  
3 chapter 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:

10           (i) For a political committee, only if the committee has received  
11 a contribution or made an expenditure in the preceding calendar month  
12 and either the total contributions received or total expenditures  
13 made since the last such report exceed two hundred dollars; or

14           (ii) For an incidental committee, only if the committee has:

15           (A) Received a payment that would change the information required  
16 under RCW 42.17A.240(2)(d) as included in its last report; or

17           (B) Made any expenditure reportable under RCW 42.17A.240(6) since  
18 its last report, and the total expenditures made since the last  
19 report exceed two hundred dollars.

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

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

1 treasurer, the copy shall be forwarded to the treasurer for his or  
2 her records. Each report shall be certified as correct by the  
3 treasurer or deputy treasurer making the deposit.

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

21 (b) At the time of making the appointment, a person wishing to  
22 inspect the books of account must provide the treasurer the name and  
23 telephone number of the person wishing to inspect the books of  
24 account. The person inspecting the books of account must show photo  
25 identification before the inspection begins.

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

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

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

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



1 (8) When there is no outstanding debt or obligation, the campaign  
2 fund is closed, and the campaign is concluded in all respects or in  
3 the case of a political committee, the committee has ceased to  
4 function and has dissolved, the treasurer shall file a final report.  
5 Upon submitting a final report, the duties of the treasurer shall  
6 cease and there is no obligation to make any further reports.

7 (9) By December 31, 2017, the commission shall adopt rules for  
8 the dissolution of incidental committees.

9 **Sec. 7.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to  
10 read as follows:

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

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

15 (2) The name and address of each person who has made one or more  
16 contributions during the period, together with the money value and  
17 date of each contribution and the aggregate value of all  
18 contributions received from each person during the campaign, or in  
19 the case of a continuing political committee, the current calendar  
20 year, with the following exceptions:

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

23 (b) Income that results from a fund-raising activity conducted in  
24 accordance with RCW 42.17A.230 may be reported as one lump sum, with  
25 the exception of that portion received from persons whose names and  
26 addresses are required to be included in the report required by RCW  
27 42.17A.230;

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

33 (d) Payments received by an incidental committee from any one  
34 person need not be reported unless:

35 (i) The person is one of the committee's ten largest sources of  
36 payments received, including any persons tied as the tenth largest  
37 source of payments received, during the current calendar year, and  
38 the value of the aggregate payments received from that person during  
39 the current calendar year is ten thousand dollars or greater; or

1        (ii) The person gave one hundred thousand dollars or more to the  
2 incidental committee during the current calendar year; and

3        (e) The money value of contributions of postage ((shall be)) is  
4 the face value of the postage;

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

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

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

14        (6) The name and address of each person to whom an expenditure  
15 was made in the aggregate amount of more than fifty dollars during  
16 the period covered by this report, the amount, date, and purpose of  
17 each expenditure, and the total sum of all expenditures. An  
18 incidental committee only must report on such expenditures that were  
19 made directly or indirectly in support of or in opposition to any  
20 election campaign or to a political or incidental committee;

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

27        (8) The name and address of any person and the amount owed for  
28 any debt, obligation, note, unpaid loan, or other liability in the  
29 amount of more than two hundred fifty dollars or in the amount of  
30 more than fifty dollars that has been outstanding for over thirty  
31 days;

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

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

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

37        NEW SECTION.        **Sec. 8.**        If any provision of this act or its  
38 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

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