SENATE BILL 5570

State of Washington 65th Legislature 2017 Regular Session

By Senators Billig, Miloscia, Hunt, Zeiger, Kuderer, Keiser, Rolfes, and Hasegawa

Read first time 01/30/17. Referred to Committee on State Government.

- 1 AN ACT Relating to certification of the level of foreign national 2 ownership for corporations that participate in Washington state
- 3 elections; amending RCW 42.17A.240; and creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. The legislature finds that upholding the 6 First Amendment rights of freedom of speech and free association, as 7 they relate to participating in elections, are core values in the United States. The United States supreme court has repeatedly held 8 9 that these rights include the right to make campaign contributions in 10 support of candidates and ballot measures at the federal, state, and 11 local levels.
- The legislature also finds, in accordance with federal law as 12 13 required under the federal foreign agents registration act, that 14 these rights are reserved solely for citizens of the United States, whether they act as individuals or as an association. The First 15 16 Amendment protection does not apply to foreign nationals who are 17 forbidden under federal law from directly or indirectly making so-called political contributions 18 or financing independent expenditures and electioneering communications, either individually 19 20 collectively through a corporation or other association. 21 Therefore, it falls to individual states to enforce the prohibition

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- 1 on foreign influence in our state and local elections by requiring
- 2 that corporations that make political contributions certify that they
- 3 are not owned or controlled by foreign nationals.

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4 **Sec. 2.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to read as follows:

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

- (1) The funds on hand at the beginning of the period;
- (2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:
- (a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;
 - (b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;
 - (c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor; and
- (d) The money value of contributions of postage shall be the face value of the postage;
 - (3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;
 - (4) All other contributions not otherwise listed or exempted;
- (5) A certification from each corporation making a contribution to the candidate or political committee that, in compliance with the federal foreign agents registration act, the corporation's ownership comprises less than fifty percent foreign nationals;

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

(((6))) <u>(7)</u> The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures;

 $((\frac{(7)}{)})$ (8) The name and address of each person directly compensated for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection $((\frac{(6)}{(6)}))$ (7) of this section;

 $((\frac{(8)}{(9)}))$ The name and address of any person and the amount owed for any debt, obligation, note, unpaid loan, or other liability in the amount of more than two hundred fifty dollars or in the amount of more than fifty dollars that has been outstanding for over thirty days;

(((9))) The surplus or deficit of contributions over 22 expenditures;

 $((\frac{10}{10}))$ (11) The disposition made in accordance with RCW 24 42.17A.430 of any surplus funds; and

(((11))) (12) Any other information required by the commission by 26 rule in conformance with the policies and purposes of this chapter.

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