

SHB 2772 - S COMM AMD

By Committee on State Government, Tribal Relations & Elections

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

3 **"Sec. 1.** RCW 42.17A.005 and 2019 c 428 s 3 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

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

9 (2) "Agency" includes all state agencies and all local agencies.
10 "State agency" includes every state office, department, division,
11 bureau, board, commission, or other state agency. "Local agency"
12 includes every county, city, town, municipal corporation, quasi-
13 municipal corporation, or special purpose district, or any office,
14 department, division, bureau, board, commission, or agency thereof,
15 or other local public agency.

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

20 (4) "Ballot proposition" means any (~~"measure" as defined by RCW~~
21 ~~29A.04.091, or any initiative, recall, or referendum~~) proposition
22 proposed to be submitted to the voters (~~of the state or any~~
23 ~~municipal corporation, political subdivision, or other voting~~
24 ~~constituency from and after~~). For purposes of this chapter, a
25 proposition is considered proposed at the time when ((the proposition
26 has been)) it is initially filed with the appropriate election
27 ((officer of that constituency before its circulation for
28 signatures)) official, or is initially circulated for signatures,
29 whichever occurs first. Reporting requirements apply to expenditures
30 made from the point at which a proposition is considered proposed.

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

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

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

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

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

15 (7) "Books of account" means:

16 (a) In the case of a campaign or political committee, a ledger or
17 similar listing of contributions, expenditures, and debts, such as a
18 campaign or committee is required to file regularly with the
19 commission, current as of the most recent business day; or

20 (b) In the case of a commercial advertiser, details of political
21 advertising or electioneering communications provided by the
22 advertiser, including the names and addresses of persons from whom it
23 accepted political advertising or electioneering communications, the
24 exact nature and extent of the services rendered and the total cost
25 and the manner of payment for the services.

26 (8) "Candidate" means any individual who seeks nomination for
27 election or election to public office. An individual seeks nomination
28 or election when the individual first:

29 (a) Receives contributions or makes expenditures or reserves
30 space or facilities with intent to promote the individual's candidacy
31 for office;

32 (b) Announces publicly or files for office;

33 (c) Purchases commercial advertising space or broadcast time to
34 promote the individual's candidacy; or

35 (d) Gives consent to another person to take on behalf of the
36 individual any of the actions in (a) or (c) of this subsection.

37 (9) "Caucus political committee" means a political committee
38 organized and maintained by the members of a major political party in
39 the state senate or state house of representatives.

1 (10) "Commercial advertiser" means any person that sells the
2 service of communicating messages or producing material for broadcast
3 or distribution to the general public or segments of the general
4 public whether through brochures, fliers, newspapers, magazines,
5 television, radio, billboards, direct mail advertising, printing,
6 paid internet or digital communications, or any other means of mass
7 communications used for the purpose of appealing, directly or
8 indirectly, for votes or for financial or other support in any
9 election campaign.

10 (11) "Commission" means the agency established under RCW
11 42.17A.100.

12 (12) "Committee" unless the context indicates otherwise, includes
13 a political committee such as a candidate, ballot proposition,
14 recall, political, or continuing political committee.

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

22 (14) "Continuing political committee" means a political committee
23 that is an organization of continuing existence not limited to
24 participation in any particular election campaign or election cycle.

25 (15)(a) "Contribution" includes:

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

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

36 (iii) The financing by a person of the dissemination,
37 distribution, or republication, in whole or in part, of broadcast,
38 written, graphic, digital, or other form of political advertising or
39 electioneering communication prepared by a candidate, a political or
40 incidental committee, or its authorized agent;

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

4 (b) "Contribution" does not include:

5 (i) Accrued interest on money deposited in a political or
6 incidental committee's account;

7 (ii) Ordinary home hospitality;

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

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

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

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

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

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

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

38 (B) A candidate or an authorized committee if the person paying
39 for the services is the regular employer of the individual rendering

1 the services and if the services are solely for the purpose of
2 ensuring compliance with state election or public disclosure laws; or

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

8 (A) The person performs solely ministerial functions;

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

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

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

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

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

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

37 (18) "Election" includes any primary, general, or special
38 election for public office and any election in which a ballot
39 proposition is submitted to the voters. An election in which the
40 qualifications for voting include other than those requirements set

1 forth in Article VI, section 1 (Amendment 63) of the Constitution of
2 the state of Washington shall not be considered an election for
3 purposes of this chapter.

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

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

14 (21)(a) "Electioneering communication" means any broadcast,
15 cable, or satellite television, radio transmission, digital
16 communication, United States postal service mailing, billboard,
17 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 electronically or by other means,
22 mailed, erected, distributed, or otherwise published within sixty
23 days before any election for that office in the jurisdiction in which
24 the candidate is seeking 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 or cost of
28 one 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 the candidate 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 interest to the 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 or
5 incidental 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) An internal political communication primarily limited to
13 the members of or contributors to a political party organization or
14 political or incidental committee, or to the officers, management
15 staff, or stockholders of a corporation or similar enterprise, or to
16 the 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 (22) "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 not include the partial
33 or complete repayment by a candidate or political or incidental
34 committee of the principal of a loan, the receipt of which loan has
35 been properly reported.

36 (23) "Final report" means the report described as a final report
37 in RCW 42.17A.235 (11) (a).

38 (24) "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 (25) "Gift" has the definition in RCW 42.52.010.

2 (26) "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 (27) "Incidental committee" means any nonprofit organization not
14 otherwise defined as a political committee but that may incidentally
15 make a contribution or an expenditure in excess of the reporting
16 thresholds in RCW 42.17A.235, directly or through a political
17 committee. Any nonprofit organization is not an incidental committee
18 if it is only remitting payments through the nonprofit organization
19 in an aggregated form and the nonprofit organization is not required
20 to report those payments in accordance with this chapter.

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

23 (29)(a) "Independent expenditure" means an expenditure that has
24 each of the following elements:

25 (i) It is made in support of or in opposition to a candidate for
26 office by a person who is not:

27 (A) A candidate for that office;

28 (B) An authorized committee of that candidate for that office;

29 and

30 (C) A person who has received the candidate's encouragement or
31 approval to make the expenditure, if the expenditure pays in whole or
32 in part for political advertising supporting that candidate or
33 promoting the defeat of any other candidate or candidates for that
34 office;

35 (ii) It is made in support of or in opposition to a candidate for
36 office by a person with whom the candidate has not collaborated for
37 the purpose of making the expenditure, if the expenditure pays in
38 whole or in part for political advertising supporting that candidate
39 or promoting the defeat of any other candidate or candidates for that
40 office;

1 (iii) The expenditure pays in whole or in part for political
2 advertising that either specifically names the candidate supported or
3 opposed, or clearly and beyond any doubt identifies the candidate
4 without using the candidate's name; and

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

11 (b) "Independent expenditure" does not include: Ordinary home
12 hospitality; communications with journalists or editorial staff
13 designed to elicit a news item, feature, commentary, or editorial in
14 a regularly scheduled news medium that is of primary interest to the
15 general public, controlled by a person whose business is that news
16 medium, and not controlled by a candidate or a political committee;
17 participation in the creation of a publicly funded voters pamphlet
18 statement in written or video form; an internal political
19 communication primarily limited to contributors to a political party
20 organization or political action committee, the officers, management
21 staff, and stockholders of a corporation or similar enterprise, or
22 the members of a labor organization or other membership organization;
23 or the rendering of personal services of the sort commonly performed
24 by volunteer campaign workers or incidental expenses personally
25 incurred by volunteer campaign workers not in excess of two hundred
26 fifty dollars personally paid for by the worker.

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

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

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

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

38 (31) "Legislation" means bills, resolutions, motions, amendments,
39 nominations, and other matters pending or proposed in either house of
40 the state legislature, and includes any other matter that may be the

1 subject of action by either house or any committee of the legislature
2 and all bills and resolutions that, having passed both houses, are
3 pending approval by the governor.

4 (32) "Legislative office" means the office of a member of the
5 state house of representatives or the office of a member of the state
6 senate.

7 (33) "Lobby" and "lobbying" each mean attempting to influence the
8 passage or defeat of any legislation by the legislature of the state
9 of Washington, or the adoption or rejection of any rule, standard,
10 rate, or other legislative enactment of any state agency under the
11 state administrative procedure act, chapter 34.05 RCW. Neither
12 "lobby" nor "lobbying" includes an association's or other
13 organization's act of communicating with the members of that
14 association or organization.

15 (34) "Lobbyist" includes any person who lobbies either on the
16 person's own or another's behalf.

17 (35) "Lobbyist's employer" means the person or persons by whom a
18 lobbyist is employed and all persons by whom the lobbyist is
19 compensated for acting as a lobbyist.

20 (36) "Ministerial functions" means an act or duty carried out as
21 part of the duties of an administrative office without exercise of
22 personal judgment or discretion.

23 (37) "Participate" means that, with respect to a particular
24 election, an entity:

25 (a) Makes either a monetary or in-kind contribution to a
26 candidate;

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

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

32 (d) Makes a recommendation regarding whether a candidate should
33 be supported or opposed before a contribution is made by a subsidiary
34 corporation or local unit with respect to that candidate or that
35 candidate's opponent; or

36 (e) Directly or indirectly collaborates or consults with a
37 subsidiary corporation or local unit on matters relating to the
38 support of or opposition to a candidate, including, but not limited
39 to, the amount of a contribution, when a contribution should be
40 given, and what assistance, services or independent expenditures, or

1 electioneering communications, if any, will be made or should be made
2 in support of or opposition to a candidate.

3 (38) "Person" includes an individual, partnership, joint venture,
4 public or private corporation, association, federal, state, or local
5 governmental entity or agency however constituted, candidate,
6 committee, political committee, political party, executive committee
7 thereof, or any other organization or group of persons, however
8 organized.

9 (39) "Political advertising" includes any advertising displays,
10 newspaper ads, billboards, signs, brochures, articles, tabloids,
11 flyers, letters, radio or television presentations, digital
12 communication, or other means of mass communication, used for the
13 purpose of appealing, directly or indirectly, for votes or for
14 financial or other support or opposition in any election campaign.

15 (40) "Political committee" means any person (except a candidate
16 or an individual dealing with the candidate's or individual's own
17 funds or property) having the expectation of receiving contributions
18 or making expenditures in support of, or opposition to, any candidate
19 or any ballot proposition.

20 (41) "Primary" for the purposes of RCW 42.17A.405 means the
21 procedure for nominating a candidate to state or local office under
22 chapter 29A.52 RCW or any other primary for an election that uses, in
23 large measure, the procedures established in chapter 29A.52 RCW.

24 (42) "Public office" means any federal, state, judicial, county,
25 city, town, school district, port district, special district, or
26 other state political subdivision elective office.

27 (43) "Public record" has the definition in RCW 42.56.010.

28 (44) "Recall campaign" means the period of time beginning on the
29 date of the filing of recall charges under RCW 29A.56.120 and ending
30 thirty days after the recall election.

31 (45) "Remediable violation" means any violation of this chapter
32 that:

33 (a) Involved expenditures or contributions totaling no more than
34 the contribution limits set out under RCW 42.17A.405(2) per election,
35 or one thousand dollars if there is no statutory limit;

36 (b) Occurred:

37 (i) More than thirty days before an election, where the
38 commission entered into an agreement to resolve the matter; or

39 (ii) At any time where the violation did not constitute a
40 material violation because it was inadvertent and minor or otherwise

1 has been cured and, after consideration of all the circumstances,
2 further proceedings would not serve the purposes of this chapter;

3 (c) Does not materially harm the public interest, beyond the harm
4 to the policy of this chapter inherent in any violation; and

5 (d) Involved:

6 (i) A person who:

7 (A) Took corrective action within five business days after the
8 commission first notified the person of noncompliance, or where the
9 commission did not provide notice and filed a required report within
10 twenty-one days after the report was due to be filed; and

11 (B) Substantially met the filing deadline for all other required
12 reports within the immediately preceding twelve-month period; or

13 (ii) A candidate who:

14 (A) Lost the election in question; and

15 (B) Did not receive contributions over one hundred times the
16 contribution limit in aggregate per election during the campaign in
17 question.

18 (46) (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 or incidental
25 committee, means any person, except an authorized committee, to whom
26 any of the following 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 (47) "Sponsored committee" means a committee, other than an
34 authorized committee, that has one or more sponsors.

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

40 (49) "State official" means a person who holds a state office.

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

12 (51) "Technical correction" means the correction of a minor or
13 ministerial error in a required report that does not materially harm
14 the public interest and needs to be corrected for the report to be in
15 full compliance with the requirements of this chapter.

16 (52) "Treasurer" and "deputy treasurer" mean the individuals
17 appointed by a candidate or political or incidental committee,
18 pursuant to RCW 42.17A.210, to perform the duties specified in that
19 section.

20 (53) "Violation" means a violation of this chapter that is not a
21 remediable violation, minor violation, or an error classified by the
22 commission as appropriate to address by a technical correction.

23 **Sec. 2.** RCW 42.17A.105 and 2010 c 204 s 302 are each amended to
24 read as follows:

25 The commission shall:

26 (1) Develop and provide forms for the reports and statements
27 required to be made under this chapter;

28 (2) (~~Prepare and publish a manual setting forth~~) Provide
29 recommended uniform methods of (~~bookkeeping~~) recordkeeping and
30 reporting for use by persons required to make reports and statements
31 under this chapter;

32 (3) Compile and maintain a current list of all filed reports and
33 statements;

34 (4) Investigate whether properly completed statements and reports
35 have been filed within the times required by this chapter;

36 (5) Upon complaint or upon its own motion, investigate and report
37 apparent violations of this chapter to the appropriate law
38 enforcement authorities;

1 (6) Conduct a sufficient number of audits and field
2 investigations, as staff capacity permits without impacting the
3 timeliness of addressing alleged violations, to provide a
4 statistically valid finding regarding the degree of compliance with
5 the provisions of this chapter by all required filers. Any documents,
6 records, reports, computer files, papers, or materials provided to
7 the commission for use in conducting audits and investigations must
8 be returned to the candidate, campaign, or political committee from
9 which they were received within one week of the commission's
10 completion of an audit or field investigation;

11 (7) Prepare and publish an annual report to the governor as to
12 the effectiveness of this chapter and ~~((its enforcement by~~
13 ~~appropriate law enforcement authorities))~~ the work of the commission;

14 (8) Enforce this chapter according to the powers granted it by
15 law;

16 (9) ~~((Adopt rules governing the arrangement, handling, indexing,~~
17 ~~and disclosing of those reports required by this chapter to be filed~~
18 ~~with a county auditor or county elections official. The rules shall:~~

19 ~~(a) Ensure ease of access by the public to the reports; and~~

20 ~~(b) Include, but not be limited to, requirements for indexing the~~
21 ~~reports by the names of candidates or political committees and by the~~
22 ~~ballot proposition for or against which a political committee is~~
23 ~~receiving contributions or making expenditures;~~

24 ~~(10))~~ Adopt rules to carry out the policies of chapter 348, Laws
25 of 2006. The adoption of these rules is not subject to the time
26 restrictions of RCW 42.17A.110(1); and

27 ~~((11))~~ (10) Adopt administrative rules establishing
28 requirements for filer participation in any system designed and
29 implemented by the commission for the electronic filing of reports(~~(~~
30 ~~and~~

31 ~~(12) Maintain and make available to the public and political~~
32 ~~committees of this state a toll-free telephone number)).~~

33 NEW SECTION. Sec. 3. A new section is added to chapter 42.17A
34 RCW to read as follows:

35 The commission may not establish an electronic directory,
36 archive, or other compilation of political advertising unless
37 explicitly authorized by the legislature.

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

3 (1) All advertising related to an election that encourages,
4 directly or indirectly, people to vote for a person who, as of the
5 date the advertisement is first presented to the public, is not a
6 candidate for that office must include the following statement: "This
7 ad encourages you to vote for a person who is not a candidate for
8 this office as of (the date the advertising is first
9 presented to the public)."

10 (2) All advertising related to an election that incorrectly
11 conveys, directly or indirectly, that a person has the endorsement of
12 an entity or individual for an office in an election, when that
13 person does not have that endorsement for that office in that
14 election, must include the following statement: "As of (the
15 date the advertising is first presented to the public) this person
16 does not actually have the endorsement of (list individuals
17 or entities whose endorsement was stated or implied) for this office
18 in this election."

19 (3) For the purposes of this section, "candidate" means:

20 (a) Prior to the end of the filing period under RCW 29A.24.050
21 for an election, a person who is a candidate for that election as
22 defined in RCW 42.17A.005; and

23 (b) After the end of the filing period under RCW 29A.24.050 for
24 an election, a person who has filed a declaration of candidacy for
25 office in that election in accordance with chapter 29A.24 RCW.

26 (4) In a written communication, the information required by
27 subsections (1) and (2) of this section must:

28 (a) Appear in a size equal to or greater than the largest size
29 type otherwise used in the communication, adjacent to the text that:

30 (i) Encourages a vote, for the disclaimer in subsection (1) of
31 this section; or

32 (ii) Conveys an endorsement, for the disclaimer in subsection (2)
33 of this section;

34 (b) Not be subject to the half-tone or screening process; and

35 (c) Be set apart from any other printed matter. Except as
36 provided in (a) of this subsection, no text may be before, after, or
37 immediately adjacent to the information required by subsections (1)
38 and (2) of this section.

1 (5) In a communication that is being transmitted by television or
2 other medium that includes a visual image, the information required
3 by subsections (1) and (2) of this section must either:

4 (a) Be clearly spoken; or

5 (b) Appear in print and be visible for at least four seconds, in
6 letters greater than four percent of the visual screen height, with a
7 reasonable color contrast with the background.

8 (6) In a communication that does not include a visual image, the
9 information required by subsections (1) and (2) of this section must
10 be clearly spoken.

11 **Sec. 5.** RCW 42.17A.700 and 2019 c 428 s 35 are each amended to
12 read as follows:

13 (1) After January 1st and before April 15th of each year, every
14 elected official and every executive state officer (~~(who served for~~
15 ~~any portion of the preceding year)~~) shall electronically file with
16 the commission a statement of financial affairs for the preceding
17 calendar year (~~(or for that portion of the year served)~~). Any
18 official or officer in office for any period of time in a calendar
19 year, but not in office as of January 1st of the following year,
20 (~~may~~) must electronically file either within sixty days of leaving
21 office or during the January 1st through April 15th reporting period
22 of that following year. Such filing must include information for the
23 portion of the current calendar year for which the official or
24 officer was in office.

25 (2) Within two weeks of becoming a candidate, every candidate
26 shall file with the commission a statement of financial affairs for
27 the preceding twelve months. However, a candidate who already has an
28 existing obligation to file a statement for the preceding year must
29 report for that period.

30 (3) Within two weeks of appointment, every person appointed to a
31 vacancy in an elective office or executive state officer position
32 during the months of January through November shall file with the
33 commission a statement of financial affairs for the preceding twelve
34 months (~~(, except as provided in subsection (4) of this section)~~). For
35 appointments made in December, the appointee must file the statement
36 of financial affairs between January 1st and January 15th of the
37 immediate following year for the preceding twelve-month period ending
38 on December 31st.

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

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

9 ~~((6))~~ (5) Each statement of financial affairs filed under this
10 section shall be sworn as to its truth and accuracy.

11 ~~((7))~~ (6) Every elected official and every executive state
12 officer shall file with their statement of financial affairs a
13 statement certifying that they have read and are familiar with RCW
14 42.17A.555 or 42.52.180, whichever is applicable.

15 ~~((8))~~ (7) For the purposes of this section, the term "executive
16 state officer" includes those listed in RCW 42.17A.705.

17 ~~((9))~~ (8) This section does not apply to incumbents or
18 candidates for a federal office or the office of precinct committee
19 officer.

20 **Sec. 6.** RCW 42.17A.710 and 2019 c 428 s 36 are each amended to
21 read as follows:

22 ~~((1) The statement of financial affairs required by RCW~~
23 ~~42.17A.700 shall disclose the following information for the reporting~~
24 ~~individual and each member of the reporting individual's immediate~~
25 ~~family:~~

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

27 ~~(b) Each bank account, savings account, and insurance policy in~~
28 ~~which a direct financial interest was held that exceeds twenty~~
29 ~~thousand dollars at any time during the reporting period; each other~~
30 ~~item of intangible personal property in which a direct financial~~
31 ~~interest was held that exceeds two thousand dollars during the~~
32 ~~reporting period; the name, address, and nature of the entity; and~~
33 ~~the nature and highest value of each direct financial interest during~~
34 ~~the reporting period;~~

35 ~~(c) The name and address of each creditor to whom the value of~~
36 ~~two thousand dollars or more was owed; the original amount of each~~
37 ~~debt to each creditor; the amount of each debt owed to each creditor~~
38 ~~as of the date of filing; the terms of repayment of each debt; and~~
39 ~~the security given, if any, for each such debt. Debts arising from a~~

1 ~~"retail installment transaction" as defined in chapter 63.14 RCW~~
2 ~~(retail installment sales act) need not be reported;~~

3 ~~(d) Every public or private office, directorship, and position~~
4 ~~held as trustee; except that an elected official or executive state~~
5 ~~officer need not report the elected official's or executive state~~
6 ~~officer's service on a governmental board, commission, association,~~
7 ~~or functional equivalent, when such service is part of the elected~~
8 ~~official's or executive state officer's official duties;~~

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

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

24 ~~(g) The name of any corporation, partnership, joint venture,~~
25 ~~association, union, or other entity in which is held any office,~~
26 ~~directorship, or any general partnership interest, or an ownership~~
27 ~~interest of ten percent or more; the name or title of that office,~~
28 ~~directorship, or partnership; the nature of ownership interest; and:~~

29 ~~(i) With respect to a governmental unit in which the official seeks~~
30 ~~or holds any office or position, if the entity has received~~
31 ~~compensation in any form during the preceding twelve months from the~~
32 ~~governmental unit, the value of the compensation and the~~
33 ~~consideration given or performed in exchange for the compensation;~~

34 ~~and (ii) the name of each governmental unit, corporation,~~
35 ~~partnership, joint venture, sole proprietorship, association, union,~~
36 ~~or other business or commercial entity from which the entity has~~
37 ~~received compensation in any form in the amount of ten thousand~~
38 ~~dollars or more during the preceding twelve months and the~~
39 ~~consideration given or performed in exchange for the compensation. As~~
40 ~~used in (g) (ii) of this subsection, "compensation" does not include~~

1 payment for water and other utility services at rates approved by the
2 Washington state utilities and transportation commission or the
3 legislative authority of the public entity providing the service.
4 With respect to any bank or commercial lending institution in which
5 is held any office, directorship, partnership interest, or ownership
6 interest, it shall only be necessary to report either the name,
7 address, and occupation of every director and officer of the bank or
8 commercial lending institution and the average monthly balance of
9 each account held during the preceding twelve months by the bank or
10 commercial lending institution from the governmental entity for which
11 the individual is an official or candidate or professional staff
12 member, or all interest paid by a borrower on loans from and all
13 interest paid to a depositor by the bank or commercial lending
14 institution if the interest exceeds two thousand four hundred
15 dollars;

16 (h) A list, including legal or other sufficient descriptions as
17 prescribed by the commission, of all real property in the state of
18 Washington, the assessed valuation of which exceeds ten thousand
19 dollars in which any direct financial interest was acquired during
20 the preceding calendar year, and a statement of the amount and nature
21 of the financial interest and of the consideration given in exchange
22 for that interest;

23 (i) A list, including legal or other sufficient descriptions as
24 prescribed by the commission, of all real property in the state of
25 Washington, the assessed valuation of which exceeds ten thousand
26 dollars in which any direct financial interest was divested during
27 the preceding calendar year, and a statement of the amount and nature
28 of the consideration received in exchange for that interest, and the
29 name and address of the person furnishing the consideration;

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

37 (k) A list, including legal or other sufficient descriptions as
38 prescribed by the commission, of all real property in the state of
39 Washington, the assessed valuation of which exceeds twenty thousand
40 dollars, in which a corporation, partnership, firm, enterprise, or

1 other entity had a direct financial interest, in which corporation,
2 partnership, firm, or enterprise a ten percent or greater ownership
3 interest was held;

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

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

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

13 (2) (a) When judges, prosecutors, sheriffs, or their immediate
14 family members are required to disclose real property that is the
15 personal residence of the judge, prosecutor, or sheriff, the
16 requirements of subsection (1) (h) through (k) of this section may be
17 satisfied for that property by substituting:

18 (i) The city or town;

19 (ii) The type of residence, such as a single-family or
20 multifamily residence, and the nature of ownership; and

21 (iii) Such other identifying information the commission
22 prescribes by rule for the mailing address where the property is
23 located.

24 (b) Nothing in this subsection relieves the judge, prosecutor, or
25 sheriff of any other applicable obligations to disclose potential
26 conflicts or to recuse oneself.

27 (3) (a) Where an amount is required to be reported under
28 subsection (1) (a) through (m) of this section, it may be reported
29 within a range as provided in (b) of this subsection.

30 (b)

Code A	Less than thirty thousand dollars;
Code B	At least thirty thousand dollars, but less than sixty thousand dollars;
Code C	At least sixty thousand dollars, but less than one hundred thousand dollars;
Code D	At least one hundred thousand dollars, but less than two hundred thousand dollars;

Code E	At least two hundred thousand dollars, but less than five hundred thousand dollars;
Code F	At least five hundred thousand dollars, but less than seven hundred and fifty thousand dollars;
Code G	At least seven hundred fifty thousand dollars, but less than one million dollars; or
Code H	One million dollars or more.

~~(c) An amount of stock may be reported by number of shares instead of by market value. No provision of this subsection may be interpreted to prevent any person from filing more information or more detailed information than required.~~

~~(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.)~~ The statement of financial affairs that an elected official and executive state officer must file under RCW 42.17A.700 is for the purpose of providing necessary information to the public for transparency and accountability about an official's personal financial interests to help ensure that the official is making decisions in the best interest of the public, not enhancing a personal financial interest, and to help identify potential conflicts of interest. The financial affairs statement, known as an "F-1," requires the disclosure of personal financial information of the filer and the immediate family members of the filer, which means spouse, or registered domestic partner, and dependents. Statements of financial affairs filed by a professional staff member of the legislature are subject to public disclosure upon request, but the commission may not post on any web site any statements of financial affairs filed by a professional staff member of the legislature before or after the effective date of this section. The commission shall establish rules for the information that must be reported in the statement of financial affairs, and shall provide an electronic filing application.

(1) The statement of financial affairs must disclose financial information for the applicable reporting period within certain

1 categories, as provided in this subsection. The commission shall
2 detail in rules the type of information required for each category,
3 and any additional information as necessary to carry out the purpose
4 and policies of this chapter.

5 (a) **Assets held.** The statement must include information regarding
6 the assets in which the filer or immediate family members held a
7 direct financial interest, including:

8 (i) Each bank account and insurance policy with a value of
9 twenty-five thousand dollars or more; and

10 (ii) Other intangible personal property with a value of ten
11 thousand dollars or more, such as business ownership, securities, and
12 retirement accounts.

13 (b) **Sources of income.** The statement must include information
14 regarding the sources of income received by the filer or immediate
15 family members with a value of two thousand five hundred dollars or
16 more. Such information includes:

17 (i) Payments received, including compensation for employment or
18 other consideration;

19 (ii) Government benefits received;

20 (iii) Pensions or other retirement income received; and

21 (iv) Income earned or provided from assets held by the filer or
22 immediate family member.

23 (c) **Debt.** The statement must include information regarding the
24 debt owed by the filer or immediate family members with a value of
25 two thousand five hundred dollars or more, including the creditor's
26 name, the original and present amount owed, the security given, and
27 the terms of repayment. Debts arising from a "retail installment
28 transaction" as defined in chapter 63.14 RCW, the retail installment
29 sales act, are not required to be reported.

30 (d) **Real property.** The statement must include information
31 regarding the direct financial interest in real property with a value
32 of fifteen thousand dollars or more that the filer or immediate
33 family members acquired, sold, or held during the reporting period.

34 (i) Judges, prosecutors, sheriffs, and their immediate family
35 members are not required to disclose the address or legal description
36 of real property that is the personal residence of the judge,
37 prosecutor, or sheriff. It is sufficient to disclose the following
38 information regarding the personal residence of a judge, prosecutor,
39 or sheriff:

40 (A) The city or town;

1 (B) The type of residence, such as a single-family or multifamily
2 residence, and the nature of ownership; and

3 (C) Such other identifying information the commission prescribes
4 by rule for the mailing address where the property is located.

5 (ii) The limitation on reporting information regarding personal
6 residence may not be used to relieve a judge, prosecutor, or sheriff
7 of any other applicable obligations to disclose potential conflicts
8 or to recuse oneself.

9 (e) **Gifts and other payments.** The statement must include
10 information regarding gifts received by the filer, including:

11 (i) Food and beverages with a value of fifty dollars or more,
12 which were accepted in the ordinary course of meals where attendance
13 is related to the performance of official duties, as provided under
14 RCW 42.52.150(5);

15 (ii) Payments for reasonable expenses incurred in connection with
16 a speech, presentation, appearance, or trade mission made in an
17 official capacity, as provided under RCW 42.52.010(9)(d);

18 (iii) Items accepted for which the filer was authorized to accept
19 by law, as provided in RCW 42.52.010(9)(e); and

20 (iv) Payment attributable to attending seminars and educational
21 programs sponsored by a bona fide governmental or nonprofit
22 professional, educational, trade, or charitable association or
23 institution, as provided under RCW 42.52.010(9)(f).

24 (f) **Lobbying activities.** The statement must include information
25 regarding:

26 (i) Any individual or entity who provided compensation to the
27 filer or immediate family members to lobby, as defined in this
28 chapter, or otherwise outside the state, except in the filer's or
29 immediate family member's official service to a government entity;
30 and

31 (ii) Any affiliated entity under (g) of this subsection that
32 provided compensation to persons to lobby, as defined in this
33 chapter, or otherwise outside the state.

34 (g) **Businesses interests and associations.** The statement must
35 include information identifying each business, association, or other
36 entity with which the filer or immediate family member holds an
37 office or director position, or ownership interest of at least ten
38 percent. In addition, the information must include:

39 (i) The compensation of fifteen thousand dollars or more provided
40 to each identified entity;

1 (ii) The real property interest in the state of Washington of
2 twenty-five thousand dollars or more held by each identified entity
3 with which the filer or immediate family member holds at least a ten
4 percent ownership interest; and

5 (iii) The value of any payment to each identified entity from the
6 government unit in which the filer or immediate family member holds
7 or seeks an office or position, except for payment for water and
8 other utility services at rates approved by the authority of the
9 public entity providing the service.

10 (2) Where the disclosure of an amount is required within a
11 category of financial information, the commission may establish value
12 codes that allow for reporting monetary amounts within certain
13 ranges, instead of disclosing the actual amount.

14 **Sec. 7.** RCW 42.17A.765 and 2019 c 428 s 39 are each amended to
15 read as follows:

16 (1) (a) The attorney general may bring civil actions in the name
17 of the state for any appropriate civil remedy, including but not
18 limited to the special remedies provided in RCW 42.17A.750 upon:

19 (i) Referral by the commission pursuant to RCW 42.17A.755(4);

20 (ii) Receipt of a notice provided in accordance with RCW
21 42.17A.755(5); ~~((~~or~~))~~

22 (iii) Receipt of a notice of intent to commence a citizen's
23 action, as provided under RCW 42.17A.775(3); or

24 (iv) Allegation of a subsequent violation of this chapter by a
25 person who previously paid a penalty or stipulated amount of at least
26 one hundred thousand dollars for a violation or violations of this
27 chapter.

28 (b) Within forty-five days of receiving a referral from the
29 commission or notice of the commission's failure to take action
30 provided in accordance with RCW 42.17A.755(5), or within ten days of
31 receiving a citizen's action notice, the attorney general must
32 publish a decision whether to commence an action on the attorney
33 general's office web site. Publication of the decision within the
34 forty-five day period, or ten-day period, whichever is applicable,
35 shall preclude a citizen's action pursuant to RCW 42.17A.775.

36 (c) The attorney general should use the enforcement powers in
37 this section in a consistent manner that provides guidance in
38 complying with the provisions of this chapter to candidates,

1 political committees, or other individuals subject to the regulations
2 of this chapter.

3 (2) The attorney general may investigate or cause to be
4 investigated the activities of any person who there is reason to
5 believe is or has been acting in violation of this chapter, and may
6 require any such person or any other person reasonably believed to
7 have information concerning the activities of such person to appear
8 at a time and place designated in the county in which such person
9 resides or is found, to give such information under oath and to
10 produce all accounts, bills, receipts, books, paper and documents
11 which may be relevant or material to any investigation authorized
12 under this chapter.

13 (3) When the attorney general requires the attendance of any
14 person to obtain such information or produce the accounts, bills,
15 receipts, books, papers, and documents that may be relevant or
16 material to any investigation authorized under this chapter, the
17 attorney general shall issue an order setting forth the time when and
18 the place where attendance is required and shall cause the same to be
19 delivered to or sent by registered mail to the person at least
20 fourteen days before the date fixed for attendance. The order shall
21 have the same force and effect as a subpoena, shall be effective
22 statewide, and, upon application of the attorney general, obedience
23 to the order may be enforced by any superior court judge in the
24 county where the person receiving it resides or is found, in the same
25 manner as though the order were a subpoena. The court, after hearing,
26 for good cause, and upon application of any person aggrieved by the
27 order, shall have the right to alter, amend, revise, suspend, or
28 postpone all or any part of its provisions. In any case where the
29 order is not enforced by the court according to its terms, the
30 reasons for the court's actions shall be clearly stated in writing,
31 and the action shall be subject to review by the appellate courts by
32 certiorari or other appropriate proceeding.

33 NEW SECTION. **Sec. 8.** Sections 4 and 6 of this act are necessary
34 for the immediate preservation of the public peace, health, or
35 safety, or support of the state government and its existing public
36 institutions, and take effect immediately."

SHB 2772 - S COMM AMD

By Committee on State Government, Tribal Relations & Elections

1 On page 1, line 2 of the title, after "affairs;" strike the
2 remainder of the title and insert "amending RCW 42.17A.005,
3 42.17A.105, 42.17A.700, 42.17A.710, and 42.17A.765; adding new
4 sections to chapter 42.17A RCW; and declaring an emergency."

EFFECT: (1) Relocates prohibition on PDC publication of legislative professional staff statements of financial affairs within RCW.

(2) Prohibits the Public Disclosure Commission from establishing an electronic directory, archive, or other compilation of political advertising unless explicitly authorized by the legislature.

(3) Grants the Attorney General original jurisdiction over claims of a subsequent violation of chapter 42.17A RCW by a person who previously paid a penalty or stipulated amount of at least \$100,000 for a violation or violations of chapter 42.17A RCW.

(4) Adds emergency clause to changes regarding reporting of statements of financial affairs.

--- END ---