

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1379

66th Legislature
2019 Regular Session

Passed by the House April 22, 2019
Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 15, 2019
Yeas 27 Nays 21

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1379** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1379

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By House State Government & Tribal Relations (originally sponsored by Representatives Pellicciotti, Hudgins, Appleton, Gregerson, Pollet, Macri, Valdez, Kloba, Bergquist, Tarleton, Doglio, Frame, Goodman, Reeves, and Fey)

READ FIRST TIME 02/05/19.

1 AN ACT Relating to disclosure of contributions from political
2 committees to other political committees; amending RCW 42.17A.320;
3 adding a new section to chapter 42.17A RCW; and creating a new
4 section.

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, raises the level of debate, and strengthens our
11 representative democracy.

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

18 One of the cornerstones of Washington state's campaign finance
19 disclosure laws is the requirement that political advertisements
20 disclose the sponsor and the sponsor's top five donors. Many
21 political action committees have avoided this important transparency

1 requirement by funneling money from political action committee to
2 political action committee so the top five donors listed are
3 deceptive political action committee names rather than the real
4 donors. The legislature finds that this practice, sometimes called
5 "gray money" or "donor washing," undermines the intent of Washington
6 state's campaign finance laws and impairs the transparency required
7 for fair elections and a healthy democracy.

8 Therefore, the legislature intends to close this disclosure
9 loophole, increase transparency and accountability, raise the level
10 of discourse, deter corruption, and strengthen confidence in the
11 election process by prohibiting political committees from receiving
12 an overwhelming majority of their funds from one or a combination of
13 political committees.

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

16 (1) For any requirement to include the top five contributors
17 under RCW 42.17A.320 or any other provision of this chapter, the
18 sponsor must identify the five persons or entities making the largest
19 contributions to the sponsor in excess of the threshold aggregate
20 value to be considered an independent expenditure in an election for
21 public office under RCW 42.17A.005(29)(a)(iv) reportable under this
22 chapter during the twelve-month period preceding the date on which
23 the advertisement is initially to be published or otherwise presented
24 to the public.

25 (2) If one or more of the top five contributors identified under
26 subsection (1) of this section is a political committee, the top
27 three contributors to each of those political committees during the
28 same period must then be identified, and so on, until the individuals
29 or entities other than political committees with the largest
30 aggregate contributions to each political committee identified under
31 subsection (1) of this section have also been identified. The sponsor
32 must identify the three individuals or entities, not including
33 political committees, who made the largest aggregate contributions to
34 any political committee identified under subsection (1) of this
35 section in excess of the threshold aggregate value to be considered
36 an independent expenditure in an election for public office under RCW
37 42.17A.005(29)(a)(iv) reportable under this chapter during the same
38 period, and the names of those individuals or entities must be

1 displayed in the advertisement alongside the statement "Top Three
2 Donors to PAC Contributors."

3 (3) Contributions to the sponsor or a political committee that
4 are earmarked, tracked, and used for purposes other than the
5 advertisement in question should not be counted in identifying the
6 top five contributors under subsection (1) of this section or the top
7 three contributors under subsection (2) of this section.

8 (4) The sponsor shall not be liable for a violation of this
9 section that occurs because a contribution to any political committee
10 identified under subsection (1) of this section has not been reported
11 to the commission.

12 (5) The commission is authorized to adopt rules, as needed, to
13 prevent ways to circumvent the purposes of the required disclosures
14 in this section to inform voters about the individuals and entities
15 sponsoring political advertisements.

16 **Sec. 3.** RCW 42.17A.320 and 2013 c 138 s 1 are each amended to
17 read as follows:

18 (1) All written political advertising, whether relating to
19 candidates or ballot propositions, shall include the sponsor's name
20 and address. All radio and television political advertising, whether
21 relating to candidates or ballot propositions, shall include the
22 sponsor's name. The use of an assumed name for the sponsor of
23 electioneering communications, independent expenditures, or political
24 advertising shall be unlawful. For partisan office, if a candidate
25 has expressed a party or independent preference on the declaration of
26 candidacy, that party or independent designation shall be clearly
27 identified in electioneering communications, independent
28 expenditures, or political advertising.

29 (2) In addition to the information required by subsection (1) of
30 this section, except as specifically addressed in subsections (4) and
31 (5) of this section, all political advertising undertaken as an
32 independent expenditure or an electioneering communication by a
33 person or entity other than a bona fide political party must include
34 as part of the communication:

35 (a) The statement: "No candidate authorized this ad. It is paid
36 for by (name, address, city, state)";

37 (b) If the sponsor is a political committee, the statement: "Top
38 Five Contributors," followed by a listing of the names of the five
39 persons (~~or entities~~) making the largest contributions (~~in excess~~

1 ~~of seven hundred dollars reportable under this chapter during the~~
2 ~~twelve-month period before the date of the advertisement or~~
3 ~~communication)) as determined by section 2(1) of this act; and if
4 necessary, the statement "Top Three Donors to PAC Contributors,"
5 followed by a listing of the names of the three individuals or
6 entities, other than political committees, making the largest
7 aggregated contributions as determined by section 2(2) of this act;
8 and~~

9 (c) If the sponsor is a political committee established,
10 maintained, or controlled directly, or indirectly through the
11 formation of one or more political committees, by an individual,
12 corporation, union, association, or other entity, the full name of
13 that individual or entity.

14 (3) The information required by subsections (1) and (2) of this
15 section shall:

16 (a) Appear on the first page or fold of the written advertisement
17 or communication in at least ten-point type, or in type at least ten
18 percent of the largest size type used in a written advertisement or
19 communication directed at more than one voter, such as a billboard or
20 poster, whichever is larger;

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

22 (c) Be set apart from any other printed matter. No text may be
23 before, after, or immediately adjacent to the information required by
24 subsections (1) and (2) of this section.

25 (4) In an independent expenditure or electioneering communication
26 transmitted via television or other medium that includes a visual
27 image, the following statement must either be clearly spoken, or
28 appear in print and be visible for at least four seconds, appear in
29 letters greater than four percent of the visual screen height on a
30 solid black background on the entire bottom one-third of the
31 television or visual display screen, or bottom one-fourth of the
32 screen if the sponsor does not have or is otherwise not required to
33 list its top five contributors, and have a reasonable color contrast
34 with the background: "No candidate authorized this ad. Paid for by
35 (name, city, state)." If the advertisement or communication is
36 undertaken by a nonindividual other than a party organization, then
37 the following notation must also be included: "Top Five Contributors"
38 followed by a listing of the names of the five persons (~~or~~
39 ~~entities~~)) making the largest aggregate contributions (~~in excess of~~
40 ~~seven hundred dollars reportable under this chapter during the~~

1 ~~twelve-month period preceding the date on which the advertisement is~~
2 ~~initially published or otherwise presented to the public)) as~~
3 ~~determined by section 2(1) of this act; and if necessary, the~~
4 ~~statement "Top Three Donors to PAC Contributors," followed by a~~
5 ~~listing of the names of the three individuals or entities other than~~
6 ~~political committees making the largest aggregate contributions to~~
7 ~~political committees as determined by section 2(2) of this act.~~
8 Abbreviations may be used to describe contributing entities if the
9 full name of the entity has been clearly spoken previously during the
10 broadcast advertisement.

11 (5) The following statement shall be clearly spoken in an
12 independent expenditure or electioneering communication transmitted
13 by a method that does not include a visual image: "No candidate
14 authorized this ad. Paid for by (name, city, state)." If the
15 independent expenditure or electioneering communication is undertaken
16 by a nonindividual other than a party organization, then the
17 following statement must also be included: "Top Five Contributors"
18 followed by a listing of the names of the five persons (~~or~~
19 ~~entities)) making the largest contributions ((in excess of seven~~
20 ~~hundred dollars reportable under this chapter during the twelve-month~~
21 ~~period preceding the date on which the advertisement is initially~~
22 ~~published or otherwise presented to the public)) as determined by~~
23 ~~section 2(1) of this act; and if necessary, the statement "Top Three~~
24 ~~Donors to PAC Contributors," followed by a listing of the names of~~
25 ~~the three individuals or entities, other than political committees,~~
26 ~~making the largest aggregate contributions to political committees as~~
27 ~~determined by section 2(2) of this act.~~ Abbreviations may be used to
28 describe contributing entities if the full name of the entity has
29 been clearly spoken previously during the broadcast advertisement.

30 (6) Political advertising costing one thousand dollars or more
31 supporting or opposing ballot measures sponsored by a political
32 committee must include the information on the (~~"Top Five~~
33 ~~Contributors" consistent with subsections (2), (4), and (5) of this~~
34 ~~section)) top five contributors and top three contributors, other
35 than political committees, as required by section 2 of this act. A
36 series of political advertising sponsored by the same political
37 committee, each of which is under one thousand dollars, must include
38 the (~~"Top Five Contributors" information required by this section))
39 top five contributors and top three contributors, other than~~~~

1 political committees, as required by section 2 of this act once their
2 cumulative value reaches one thousand dollars or more.

3 (7) Political yard signs are exempt from the requirements of this
4 section that the sponsor's name and address, and (~~"Top Five~~
5 ~~Contributor" information~~) the top five contributors and top three
6 PAC contributors as required by section 2 of this act, be listed on
7 the advertising. In addition, the public disclosure commission shall,
8 by rule, exempt from the identification requirements of this section
9 forms of political advertising such as campaign buttons, balloons,
10 pens, pencils, sky-writing, inscriptions, and other forms of
11 advertising where identification is impractical.

12 (8) For the purposes of this section, "yard sign" means any
13 outdoor sign with dimensions no greater than eight feet by four feet.

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