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**HOUSE BILL 1426**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Mena, Reed, Fosse, Street, Simmons, Bateman, Ramel, Pollet, and Ormsby

AN ACT Relating to campaign contributions by controlled entities; amending RCW 42.17A.455; and adding a new section to chapter 42.17A RCW.

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

**Sec.**  RCW 42.17A.455 and 2010 c 204 s 609 are each amended to read as follows:

For purposes of this chapter:

(1) A contribution by a political committee with funds that have all been contributed by one person who exercises exclusive control over the distribution of the funds of the political committee is a contribution by the controlling person.

(2) Two or more entities are treated as a single entity if one of the two or more entities is a subsidiary, branch, or department of a corporation that is participating in an election campaign or making contributions, or a local unit or branch of a trade association, labor union, or collective bargaining association that is participating in an election campaign or making contributions. All contributions made by a person or political committee whose contribution or expenditure activity is financed, maintained, or controlled by a trade association, labor union, collective bargaining organization, or the local unit of a trade association, labor union, or collective bargaining organization are considered made by the trade association, labor union, collective bargaining organization, or local unit of a trade association, labor union, or collective bargaining organization.

(3)(a) If an individual directs or controls an entity's contributions, the entity's contributions shall be aggregated with contributions made by both:

(i) That individual; and

(ii) Any other entity whose contributions that individual directs or controls.

(b) If two or more entities make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.

(c) Contributions made by entities that are majority-owned by a person shall be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their contribution-making decisions.

(4) The commission shall adopt rules to carry out this section and is not subject to the time restrictions of RCW 42.17A.110(1).

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

(1) Any limited liability company that has registered with the secretary of state under chapter 23.95 RCW and has not elected to be classified as a corporation under the federal tax code may make contributions only if the company has:

(a) Been in existence for at least one year prior to making contributions; and

(b) Electronically filed with the commission a declaration that the company is a legitimate business with a legitimate business interest and is not created for the sole purpose of making campaign contributions.

(2) The commission shall develop a method for limited liability companies to file the declaration required under subsection (1)(b) of this section. The commission shall post all information submitted pursuant to this section on its website on a public page in a searchable format.

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