

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2320

Chapter 75, Laws of 2002

57th Legislature
2002 Regular Session

CAMPAIGN CONTRIBUTIONS--REPORTS

EFFECTIVE DATE: 6/13/02

Passed by the House February 12, 2002
Yeas 97 Nays 0

FRANK CHOPP
**Speaker of the House of
Representatives**

Passed by the Senate March 7, 2002
Yeas 47 Nays 0

BRAD OWEN
President of the Senate

Approved March 21, 2002

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2320** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

FILED

March 21, 2002 - 2:41 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2320

Passed Legislature - 2002 Regular Session

State of Washington

57th Legislature

2002 Regular Session

By Representatives McDermott, D. Schmidt, Romero, McMorris, Santos, Miloscia, Kessler, Haigh and Edwards; by request of Public Disclosure Commission

Read first time 01/14/2002. Referred to Committee on State Government.

1 AN ACT Relating to reporting contributions under the public
2 disclosure act; and amending RCW 42.17.020 and 42.17.080.

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

4 **Sec. 1.** RCW 42.17.020 and 1995 c 397 s 1 are each amended to read
5 as follows:

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

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

17 (3) "Ballot proposition" means any "measure" as defined by RCW
18 29.01.110, or any initiative, recall, or referendum proposition
19 proposed to be submitted to the voters of the state or any municipal

1 corporation, political subdivision, or other voting constituency from
2 and after the time when the proposition has been initially filed with
3 the appropriate election officer of that constituency prior to its
4 circulation for signatures.

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

8 (5) "Bona fide political party" means:

9 (a) An organization that has filed a valid certificate of
10 nomination with the secretary of state under chapter 29.24 RCW;

11 (b) The governing body of the state organization of a major
12 political party, as defined in RCW 29.01.090, that is the body
13 authorized by the charter or bylaws of the party to exercise authority
14 on behalf of the state party; or

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

18 (6) "Depository" means a bank designated by a candidate or
19 political committee pursuant to RCW 42.17.050.

20 (7) "Treasurer" and "deputy treasurer" mean the individuals
21 appointed by a candidate or political committee, pursuant to RCW
22 42.17.050, to perform the duties specified in that section.

23 (8) "Candidate" means any individual who seeks nomination for
24 election or election to public office. An individual seeks nomination
25 or election when he or she first:

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

28 (b) Announces publicly or files for office;

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

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

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

36 (10) "Commercial advertiser" means any person who sells the service
37 of communicating messages or producing printed material for broadcast
38 or distribution to the general public or segments of the general public
39 whether through the use of newspapers, magazines, television and radio

1 stations, billboard companies, direct mail advertising companies,
2 printing companies, or otherwise.

3 (11) "Commission" means the agency established under RCW 42.17.350.

4 (12) "Compensation" unless the context requires a narrower meaning,
5 includes payment in any form for real or personal property or services
6 of any kind: PROVIDED, That for the purpose of compliance with RCW
7 42.17.241, the term "compensation" shall not include per diem
8 allowances or other payments made by a governmental entity to reimburse
9 a public official for expenses incurred while the official is engaged
10 in the official business of the governmental entity.

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

14 (14)(a) "Contribution" includes:

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

19 (ii) An expenditure made by a person in cooperation, consultation,
20 or concert with, or at the request or suggestion of, a candidate, a
21 political committee, or their agents;

22 (iii) The financing by a person of the dissemination, distribution,
23 or republication, in whole or in part, of broadcast, written, graphic,
24 or other form of political advertising prepared by a candidate, a
25 political 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 at
28 the event.

29 (b) "Contribution" does not include:

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

32 (ii) Ordinary home hospitality;

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

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

1 is that news medium, and that is not controlled by a candidate or a
2 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 members
7 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 services,"
12 for the purposes of this section, means services or labor for which the
13 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 occupied
16 by a person. However, a facility used for such political advertising
17 for which a rental charge is normally made must be reported as an in-
18 kind contribution and counts towards any applicable contribution limit
19 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 rendering
23 such services; or

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

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

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

38 (16) "Election" includes any primary, general, or special election
39 for public office and any election in which a ballot proposition is

1 submitted to the voters: PROVIDED, That an election in which the
2 qualifications for voting include other than those requirements set
3 forth in Article VI, section 1 (Amendment 63) of the Constitution of
4 the state of Washington shall not be considered an election for
5 purposes of this chapter.

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

9 (18) "Election cycle" means the period beginning on the first day
10 of December after the date of the last previous general election for
11 the office that the candidate seeks and ending on November 30th after
12 the next election for the office. In the case of a special election to
13 fill a vacancy in an office, "election cycle" means the period
14 beginning on the day the vacancy occurs and ending on November 30th
15 after the special election.

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

30 (20) "Final report" means the report described as a final report in
31 RCW 42.17.080(2).

32 (21) "General election" for the purposes of RCW 42.17.640 means the
33 election that results in the election of a person to a state office.
34 It does not include a primary.

35 (22) "Gift," is as defined in RCW 42.52.010.

36 (23) "Immediate family" includes the spouse, dependent children,
37 and other dependent relatives, if living in the household. For the
38 purposes of RCW 42.17.640 through 42.17.790, "immediate family" means
39 an individual's spouse, and child, stepchild, grandchild, parent,

1 stepparent, grandparent, brother, half brother, sister, or half sister
2 of the individual and the spouse of any such person and a child,
3 stepchild, grandchild, parent, stepparent, grandparent, brother, half
4 brother, sister, or half sister of the individual's spouse and the
5 spouse of any such person.

6 (24) "Independent expenditure" means an expenditure that has each
7 of the following elements:

8 (a) It is made in support of or in opposition to a candidate for
9 office by a person who is not (i) a candidate for that office, (ii) an
10 authorized committee of that candidate for that office, (iii) a person
11 who has received the candidate's encouragement or approval to make the
12 expenditure, if the expenditure pays in whole or in part for political
13 advertising supporting that candidate or promoting the defeat of any
14 other candidate or candidates for that office, or (iv) a person with
15 whom the candidate has collaborated for the purpose of making the
16 expenditure, if the expenditure pays in whole or in part for political
17 advertising supporting that candidate or promoting the defeat of any
18 other candidate or candidates for that office;

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

23 (c) The expenditure, alone or in conjunction with another
24 expenditure or other expenditures of the same person in support of or
25 opposition to that candidate, has a value of five hundred dollars or
26 more. A series of expenditures, each of which is under five hundred
27 dollars, constitutes one independent expenditure if their cumulative
28 value is five hundred dollars or more.

29 (25)(a) "Intermediary" means an individual who transmits a
30 contribution to a candidate or committee from another person unless the
31 contribution is from the individual's employer, immediate family as
32 defined for purposes of RCW 42.17.640 through 42.17.790, or an
33 association to which the individual belongs.

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

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

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

3 (26) "Legislation" means bills, resolutions, motions, amendments,
4 nominations, and other matters pending or proposed in either house of
5 the state legislature, and includes any other matter that may be the
6 subject of action by either house or any committee of the legislature
7 and all bills and resolutions that, having passed both houses, are
8 pending approval by the governor.

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

16 (28) "Lobbyist" includes any person who lobbies either in his or
17 her own or another's behalf.

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

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

27 (31) "Person in interest" means the person who is the subject of a
28 record or any representative designated by that person, except that if
29 that person is under a legal disability, the term "person in interest"
30 means and includes the parent or duly appointed legal representative.

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

37 (33) "Political committee" means any person (except a candidate or
38 an individual dealing with his or her own funds or property) having the

1 expectation of receiving contributions or making expenditures in
2 support of, or opposition to, any candidate or any ballot proposition.

3 (34) "Primary" for the purposes of RCW 42.17.640 means the
4 procedure for nominating a candidate to state office under chapter
5 29.18 or 29.21 RCW or any other primary for an election that uses, in
6 large measure, the procedures established in chapter 29.18 or 29.21
7 RCW.

8 (35) "Public office" means any federal, state, county, city, town,
9 school district, port district, special district, or other state
10 political subdivision elective office.

11 (36) "Public record" includes any writing containing information
12 relating to the conduct of government or the performance of any
13 governmental or proprietary function prepared, owned, used, or retained
14 by any state or local agency regardless of physical form or
15 characteristics. For the office of the secretary of the senate and the
16 office of the chief clerk of the house of representatives, public
17 records means legislative records as defined in RCW 40.14.100 and also
18 means the following: All budget and financial records; personnel
19 leave, travel, and payroll records; records of legislative sessions;
20 reports submitted to the legislature; and any other record designated
21 a public record by any official action of the senate or the house of
22 representatives.

23 (37) "Recall campaign" means the period of time beginning on the
24 date of the filing of recall charges under RCW 29.82.015 and ending
25 thirty days after the recall election.

26 (38) "State legislative office" means the office of a member of the
27 state house of representatives or the office of a member of the state
28 senate.

29 (39) "State office" means state legislative office or the office of
30 governor, lieutenant governor, secretary of state, attorney general,
31 commissioner of public lands, insurance commissioner, superintendent of
32 public instruction, state auditor, or state treasurer.

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

34 (41) "Surplus funds" mean, in the case of a political committee or
35 candidate, the balance of contributions that remain in the possession
36 or control of that committee or candidate subsequent to the election
37 for which the contributions were received, and that are in excess of
38 the amount necessary to pay remaining debts incurred by the committee
39 or candidate prior to that election. In the case of a continuing

1 political committee, "surplus funds" mean those contributions remaining
2 in the possession or control of the committee that are in excess of the
3 amount necessary to pay all remaining debts when it makes its final
4 report under RCW 42.17.065.

5 (42) "Writing" means handwriting, typewriting, printing,
6 photostating, photographing, and every other means of recording any
7 form of communication or representation, including, but not limited to,
8 letters, words, pictures, sounds, or symbols, or combination thereof,
9 and all papers, maps, magnetic or paper tapes, photographic films and
10 prints, motion picture, film and video recordings, magnetic or punched
11 cards, discs, drums, diskettes, sound recordings, and other documents
12 including existing data compilations from which information may be
13 obtained or translated.

14 As used in this chapter, the singular shall take the plural and any
15 gender, the other, as the context requires.

16 **Sec. 2.** RCW 42.17.080 and 2000 c 237 s 2 are each amended to read
17 as follows:

18 (1) On the day the treasurer is designated, each candidate or
19 political committee shall file with the commission and the county
20 auditor or elections officer of the county in which the candidate
21 resides, or in the case of a political committee, the county in which
22 the treasurer resides, in addition to any statement of organization
23 required under RCW 42.17.040 or 42.17.050, a report of all
24 contributions received and expenditures made prior to that date, if
25 any.

26 (2) At the following intervals each treasurer shall file with the
27 commission and the county auditor or elections officer of the county in
28 which the candidate resides, or in the case of a political committee,
29 the county in which the committee maintains its office or headquarters,
30 and if there is no office or headquarters then in the county in which
31 the treasurer resides, a report containing the information required by
32 RCW 42.17.090:

33 (a) On the twenty-first day and the seventh day immediately
34 preceding the date on which the election is held; and

35 (b) On the tenth day of the first month after the election:
36 PROVIDED, That this report shall not be required following a primary
37 election from:

1 (i) A candidate whose name will appear on the subsequent general
2 election ballot; or

3 (ii) Any continuing political committee; and

4 (c) On the tenth day of each month in which no other reports are
5 required to be filed under this section: PROVIDED, That such report
6 shall only be filed if the committee has received a contribution or
7 made an expenditure in the preceding calendar month and either the
8 total contributions received or total expenditures made since the last
9 such report exceed two hundred dollars.

10 When there is no outstanding debt or obligation, and the campaign
11 fund is closed, and the campaign is concluded in all respects, and in
12 the case of a political committee, the committee has ceased to function
13 and has dissolved, the treasurer shall file a final report. Upon
14 submitting a final report, the duties of the treasurer shall cease and
15 there shall be no obligation to make any further reports.

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

25 (3) For the period beginning the first day of the fourth month
26 preceding the date on which the special or general election is held and
27 ending on the date of that election, each (~~Friday~~) Monday the
28 treasurer shall file with the commission and the appropriate county
29 elections officer a report of each bank deposit made during the
30 previous seven calendar days. The report shall contain the name of
31 each person contributing the funds so deposited and the amount
32 contributed by each person. However, contributions of no more than
33 twenty-five dollars in the aggregate from any one person may be
34 deposited without identifying the contributor. A copy of the report
35 shall be retained by the treasurer for his or her records. In the
36 event of deposits made by a deputy treasurer, the copy shall be
37 forwarded to the treasurer for his or her records. Each report shall
38 be certified as correct by the treasurer or deputy treasurer making the
39 deposit.

1 (4) If a city requires that candidates or committees for city
2 offices file reports with a city agency, the candidate or treasurer so
3 filing need not also file the report with the county auditor or
4 elections officer.

5 (5) The treasurer or candidate shall maintain books of account
6 accurately reflecting all contributions and expenditures on a current
7 basis within five business days of receipt or expenditure. During the
8 eight days immediately preceding the date of the election the books of
9 account shall be kept current within one business day. As specified in
10 the committee's statement of organization filed under RCW 42.17.040,
11 the books of account must be open for public inspection as follows:

12 (a) For at least two consecutive hours between 8:00 a.m. and 8:00
13 p.m. on the eighth day immediately before the election, except when it
14 is a legal holiday, in which case on the seventh day immediately before
15 the election, at the principal headquarters or, if there is no
16 headquarters, at the address of the treasurer or such other place as
17 may be authorized by the commission; and

18 (b) By appointment for inspections to be conducted at the
19 designated place for inspections between 8:00 a.m. and 8:00 p.m. on any
20 other day from the seventh day through the day immediately before the
21 election, other than Saturday, Sunday, or a legal holiday. It is a
22 violation of this chapter for a candidate or political committee to
23 refuse to allow and keep an appointment for an inspection to be
24 conducted during these authorized times and days in the week prior to
25 the election. The appointment must be allowed at an authorized time
26 and day for such inspections that is within twenty-four hours of the
27 time and day that is requested for the inspection.

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

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

35 (8) Copies of all reports filed pursuant to this section shall be
36 readily available for public inspection for at least two consecutive
37 hours Monday through Friday, excluding legal holidays, between 8:00
38 a.m. and 8:00 p.m., as specified in the committee's statement of
39 organization filed pursuant to RCW 42.17.040, at the principal

1 headquarters or, if there is no headquarters, at the address of the
2 treasurer or such other place as may be authorized by the commission.

3 (9) After January 1, 2002, a report that is filed with the
4 commission electronically need not also be filed with the county
5 auditor or elections officer.

6 (10) The commission shall adopt administrative rules establishing
7 requirements for filer participation in any system designed and
8 implemented by the commission for the electronic filing of reports.

Passed the House February 12, 2002.

Passed the Senate March 7, 2002.

Approved by the Governor March 21, 2002.

Filed in Office of Secretary of State March 21, 2002.