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HOUSE BILL 1397

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Holy, Bergquist, Appleton, Van Werven, and McBride; by request of Public Disclosure Commission

Read first time 01/20/15. Referred to Committee on State Government.

1 AN ACT Relating to financial reporting by elected and appointed  
2 officials, candidates, and appointees; and amending RCW 42.17A.120  
3 and 42.17A.710.

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

5 **Sec. 1.** RCW 42.17A.120 and 2010 c 204 s 304 are each amended to  
6 read as follows:

7 (1) The commission may suspend or modify any of the reporting  
8 requirements of this chapter if it finds that literal application of  
9 this chapter works a manifestly unreasonable hardship in a particular  
10 case and the suspension or modification will not frustrate the  
11 purposes of this chapter. The commission may suspend or modify  
12 reporting requirements only after a hearing is held and the  
13 suspension or modification receives approval from a majority of the  
14 commission. A suspension or modification of the financial affairs  
15 reporting requirements in RCW 42.17A.710 may be approved for an  
16 elected official's term of office, or for up to three years for an  
17 executive state officer, where no material change in the applicant's  
18 circumstances is anticipated. The commission shall act to suspend or  
19 modify any reporting requirements:

20 (a) Only if it determines that facts exist that are clear and  
21 convincing proof of the findings required under this section; and

1 (b) Only to the extent necessary to substantially relieve the  
2 hardship.

3 (2) A manifestly unreasonable hardship exists if reporting the  
4 name of an entity required to be reported under RCW  
5 42.17A.710(1)(g)(ii) would be likely to adversely affect the  
6 competitive position of any entity in which the person filing the  
7 report, or any member of his or her immediate family, holds any  
8 office, directorship, general partnership interest, or an ownership  
9 interest of ten percent or more.

10 (3) Requests for renewals of reporting modifications may be heard  
11 in a brief adjudicative proceeding as set forth in RCW 34.05.482  
12 through 34.05.494 and in accordance with the standards established in  
13 this section. No initial request may be heard in a brief adjudicative  
14 proceeding. No request for renewal may be heard in a brief  
15 adjudicative proceeding if the initial request was granted more than  
16 three years previously or if the applicant is holding an office or  
17 position of employment different from the office or position held  
18 when the initial request was granted.

19 (4) Any citizen has standing to bring an action in Thurston  
20 county superior court to contest the propriety of any order entered  
21 under this section within one year from the date of the entry of the  
22 order.

23 (5) The commission shall adopt rules governing the proceedings.

24 **Sec. 2.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to  
25 read as follows:

26 (1) The statement of financial affairs required by RCW 42.17A.700  
27 shall disclose the following information for the reporting individual  
28 and each member of his or her immediate family:

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

30 (b)(i) Each bank account, savings account, and insurance policy  
31 in which a direct financial interest was held that exceeds (~~twenty~~)  
32 twenty-four thousand dollars at any time during the reporting period  
33 and its highest value during the reporting period; and

34 (ii) Each other item of intangible personal property in which a  
35 direct financial interest was held that exceeds (~~two~~) five thousand  
36 dollars during the reporting period(~~the name, address, and nature~~  
37 of the entity; and the nature and highest value of each direct  
38 financial interest during the reporting period)). For each reportable  
39 interest under this subsection (1)(b)(ii), the disclosure must

1 include the name and nature of the direct financial interest and its  
2 value. For purposes of reporting the value of any reportable direct  
3 financial interest held on December 31st of the reporting period, the  
4 year-end value may be used. When reporting the value of any  
5 reportable direct financial interest not held on December 31st of the  
6 reporting period, the highest value during the reporting period must  
7 be used. Ownership of shares of multiple mutual funds within the same  
8 mutual fund family may be disclosed by reporting the mutual fund  
9 family name;

10 (c) The name and address of each creditor to whom the value of  
11 two thousand four hundred dollars or more was owed; the original  
12 amount of each debt to each creditor; the amount of each debt owed to  
13 each creditor as of the date of filing; the terms of repayment of  
14 each debt; and the security given, if any, for each such debt. Debts  
15 arising from a "retail installment transaction" as defined in chapter  
16 63.14 RCW (retail installment sales act) need not be reported;

17 (d) Every public or private office, directorship, and position  
18 held as trustee;

19 (e) All persons for whom any legislation, rule, rate, or standard  
20 has been prepared, promoted, or opposed for current or deferred  
21 compensation. For the purposes of this subsection, "compensation"  
22 does not include payments made to the person reporting by the  
23 governmental entity for which the person serves as an elected  
24 official or state executive officer or professional staff member for  
25 his or her service in office; the description of such actual or  
26 proposed legislation, rules, rates, or standards; and the amount of  
27 current or deferred compensation paid or promised to be paid;

28 (f) The name and address of each governmental entity,  
29 corporation, partnership, joint venture, sole proprietorship,  
30 association, union, or other business or commercial entity from whom  
31 compensation has been received in any form of a total value of two  
32 thousand four hundred dollars or more; the value of the compensation;  
33 and the consideration given or performed in exchange for the  
34 compensation;

35 (g) The name of any corporation, partnership, joint venture,  
36 association, union, or other entity in which is held any office,  
37 directorship, or any general partnership interest, or an ownership  
38 interest of ten percent or more; the name or title of that office,  
39 directorship, or partnership; the nature of ownership interest; and:

40 (i) With respect to a governmental unit in which the official seeks

1 or holds any office or position, if the entity has received  
2 compensation in any form during the preceding twelve months from the  
3 governmental unit, the value of the compensation and the  
4 consideration given or performed in exchange for the compensation;  
5 and (ii) the name of each governmental unit, corporation,  
6 partnership, joint venture, sole proprietorship, association, union,  
7 or other business or commercial entity from which the entity has  
8 received compensation in any form in the amount of (~~ten~~) twelve  
9 thousand dollars or more during the preceding twelve months and the  
10 consideration given or performed in exchange for the compensation. As  
11 used in (g)(ii) of this subsection, "compensation" does not include  
12 payment for water and other utility services at rates approved by the  
13 Washington state utilities and transportation commission or the  
14 legislative authority of the public entity providing the service.  
15 With respect to any bank or commercial lending institution in which  
16 is held any office, directorship, partnership interest, or ownership  
17 interest, it shall only be necessary to report either the name,  
18 address, and occupation of every director and officer of the bank or  
19 commercial lending institution and the average monthly balance of  
20 each account held during the preceding twelve months by the bank or  
21 commercial lending institution from the governmental entity for which  
22 the individual is an official or candidate or professional staff  
23 member, or all interest paid by a borrower on loans from and all  
24 interest paid to a depositor by the bank or commercial lending  
25 institution if the interest exceeds two thousand (~~four~~) nine  
26 hundred dollars;

27 (h) Except as provided in subsection (2) of this section, a list,  
28 including legal or other sufficient descriptions as prescribed by the  
29 commission, of all real property in the state of Washington, the  
30 assessed valuation of which exceeds (~~ten~~) twelve thousand dollars  
31 in which any direct financial interest was acquired during the  
32 preceding calendar year, and a statement of the amount and nature of  
33 the financial interest and of the consideration given in exchange for  
34 that interest;

35 (i) Except as provided in subsection (2) of this section, a list,  
36 including legal or other sufficient descriptions as prescribed by the  
37 commission, of all real property in the state of Washington, the  
38 assessed valuation of which exceeds (~~ten~~) twelve thousand dollars  
39 in which any direct financial interest was divested during the  
40 preceding calendar year, and a statement of the amount and nature of

1 the consideration received in exchange for that interest, and the  
2 name and address of the person furnishing the consideration;

3 (j) Except as provided in subsection (2) of this section, a list,  
4 including legal or other sufficient descriptions as prescribed by the  
5 commission, of all real property in the state of Washington, the  
6 assessed valuation of which exceeds (~~ten~~) twelve thousand dollars  
7 in which a direct financial interest was held. If a description of  
8 the property has been included in a report previously filed, the  
9 property may be listed, for purposes of this subsection (1)(j), by  
10 reference to the previously filed report;

11 (k) Except as provided in subsection (2) of this section, a list,  
12 including legal or other sufficient descriptions as prescribed by the  
13 commission, of all real property in the state of Washington, the  
14 assessed valuation of which exceeds (~~twenty~~) twenty-four thousand  
15 dollars, in which a corporation, partnership, firm, enterprise, or  
16 other entity had a direct financial interest, in which corporation,  
17 partnership, firm, or enterprise a ten percent or greater ownership  
18 interest was held;

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

22 (m) A list of each occasion, specifying date, donor, and amount,  
23 at which items specified in RCW 42.52.010(~~(+10)~~) (9) (d) and (f)  
24 were accepted; and

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

28 (2) When judges, prosecutors, sheriffs, or their immediate family  
29 members are required to disclose real property that is the personal  
30 residence of the judge, prosecutor, or sheriff, subsection (1)(h)  
31 through (k) of this section may be satisfied by listing the city or  
32 town for the mailing address where the property is located.

33 (3)(a) Where an amount is required to be reported under  
34 subsection (1)(a) through (m) of this section, it (~~shall be~~  
35 ~~sufficient to comply with the requirement to report whether the~~  
36 ~~amount is less than four thousand dollars, at least four thousand~~  
37 ~~dollars but less than twenty thousand dollars, at least twenty~~  
38 ~~thousand dollars but less than forty thousand dollars, at least forty~~  
39 ~~thousand dollars but less than one hundred thousand dollars, or one~~

1 ~~hundred thousand dollars or more~~) may be reported as provided in (b)  
2 of this subsection.

3 (b)

4 <u>Code A</u>	<u>Less than \$30,000</u>
5 <u>Code B</u>	<u>At least \$30,000 but less than \$60,000</u>
6 <u>Code C</u>	<u>At least \$60,000 but less than \$100,000</u>
7 <u>Code D</u>	<u>At least \$100,000 but less than \$200,000</u>
8 <u>Code E</u>	<u>At least \$200,000 but less than \$500,000</u>
9 <u>Code F</u>	<u>At least \$500,000 but less than \$750,000</u>
10 <u>Code G</u>	<u>At least \$750,000 but less than \$1,000,000</u>
11 <u>Code H</u>	<u>\$1,000,000 or more</u>

12 (c) An amount of stock may be reported by number of shares  
13 instead of by market value.

14 (d) No provision of this subsection (3) may be interpreted to  
15 prevent any person from filing more information or more detailed  
16 information than required.

17 ~~((+3))~~ (4) Items of value given to an official's or employee's  
18 spouse, domestic partner, or family member are attributable to the  
19 official or employee, except the item is not attributable if an  
20 independent business, family, or social relationship exists between  
21 the donor and the spouse, domestic partner, or family member.

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