
SUBSTITUTE SENATE BILL 5483

State of Washington

64th Legislature

2015 Regular Session

By Senate Government Operations & Security (originally sponsored by Senators Roach, Billig, and Hasegawa)

READ FIRST TIME 02/19/15.

1 AN ACT Relating to fund sharing between political committees;
2 amending RCW 42.17A.240 and 42.17A.445; and reenacting and amending
3 RCW 42.17A.005.

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

5 **Sec. 1.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are
6 each reenacted and amended to read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

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

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

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

1 (4) "Ballot proposition" means any "measure" as defined by RCW
2 29A.04.091, or any initiative, recall, or referendum proposition
3 proposed to be submitted to the voters of the state or any municipal
4 corporation, political subdivision, or other voting constituency from
5 and after the time when the proposition has been initially filed with
6 the appropriate election officer of that constituency before its
7 circulation for signatures.

8 (5) "Benefit" means a commercial, proprietary, financial,
9 economic, or monetary advantage, or the avoidance of a commercial,
10 proprietary, financial, economic, or monetary disadvantage.

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

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

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

18 (c) The county central committee or legislative district
19 committee of a major political party. There may be only one
20 legislative district committee for each party in each legislative
21 district.

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

25 (a) Receives contributions or makes expenditures or reserves
26 space or facilities with intent to promote his or her candidacy for
27 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
32 of the individual any of the actions in (a) or (c) of this
33 subsection.

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

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

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

3 (10) "Commission" means the agency established under RCW
4 42.17A.100.

5 (11) "Compensation" unless the context requires a narrower
6 meaning, includes payment in any form for real or personal property
7 or services of any kind. For the purpose of compliance with RCW
8 42.17A.710, "compensation" does not include per diem allowances or
9 other payments made by a governmental entity to reimburse a public
10 official for expenses incurred while the official is engaged in the
11 official business of the governmental entity.

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

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

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

20 (ii) An expenditure made by a person in cooperation,
21 consultation, or concert with, or at the request or suggestion of, a
22 candidate, a political committee, the person or persons named on the
23 candidate's or committee's registration form who direct expenditures
24 on behalf of the candidate or committee, or their agents;

25 (iii) The financing by a person of the dissemination,
26 distribution, or republication, in whole or in part, of broadcast,
27 written, graphic, or other form of political advertising or
28 electioneering communication prepared by a candidate, a political
29 committee, or its authorized agent;

30 (iv) Sums paid for tickets to fund-raising events such as dinners
31 and parties, except for the actual cost of the consumables furnished
32 at the event;

33 (v) The payment, by a candidate or authorized committee, of a
34 campaign expense shared with another candidate or authorized
35 committee in the amount of the joint campaign expense incurred by the
36 nonpaying candidate or committee if the paying committee is not
37 reimbursed within five business days.

38 (b) "Contribution" does not include:

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

- 1 (ii) Ordinary home hospitality;
- 2 (iii) A contribution received by a candidate or political
3 committee that is returned to the contributor within five business
4 days of the date on which it is received by the candidate or
5 political committee;
- 6 (iv) A news item, feature, commentary, or editorial in a
7 regularly scheduled news medium that is of primary interest to the
8 general public, that is in a news medium controlled by a person whose
9 business is that news medium, and that is not controlled by a
10 candidate or a political committee;
- 11 (v) An internal political communication primarily limited to the
12 members of or contributors to a political party organization or
13 political committee, or to the officers, management staff, or
14 stockholders of a corporation or similar enterprise, or to the
15 members of a labor organization or other membership organization;
- 16 (vi) The rendering of personal services of the sort commonly
17 performed by volunteer campaign workers, or incidental expenses
18 personally incurred by volunteer campaign workers not in excess of
19 fifty dollars personally paid for by the worker. "Volunteer
20 services," for the purposes of this subsection, means services or
21 labor for which the individual is not compensated by any person;
- 22 (vii) Messages in the form of reader boards, banners, or yard or
23 window signs displayed on a person's own property or property
24 occupied by a person. However, a facility used for such political
25 advertising for which a rental charge is normally made must be
26 reported as an in-kind contribution and counts towards any applicable
27 contribution limit of the person providing the facility;
- 28 (viii) Legal or accounting services rendered to or on behalf of:
- 29 (A) A political party or caucus political committee if the person
30 paying for the services is the regular employer of the person
31 rendering such services; or
- 32 (B) A candidate or an authorized committee if the person paying
33 for the services is the regular employer of the individual rendering
34 the services and if the services are solely for the purpose of
35 ensuring compliance with state election or public disclosure laws; or
- 36 (ix) The performance of ministerial functions by a person on
37 behalf of two or more candidates or political committees either as
38 volunteer services defined in (b)(vi) of this subsection or for
39 payment by the candidate or political committee for whom the services
40 are performed as long as:

1 (A) The person performs solely ministerial functions;

2 (B) A person who is paid by two or more candidates or political
3 committees is identified by the candidates and political committees
4 on whose behalf services are performed as part of their respective
5 statements of organization under RCW 42.17A.205; and

6 (C) The person does not disclose, except as required by law, any
7 information regarding a candidate's or committee's plans, projects,
8 activities, or needs, or regarding a candidate's or committee's
9 contributions or expenditures that is not already publicly available
10 from campaign reports filed with the commission, or otherwise engage
11 in activity that constitutes a contribution under (a)(ii) of this
12 subsection.

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

17 (c) Contributions other than money or its equivalent are deemed
18 to have a monetary value equivalent to the fair market value of the
19 contribution. Services or property or rights furnished at less than
20 their fair market value for the purpose of assisting any candidate or
21 political committee are deemed a contribution. Such a contribution
22 must be reported as an in-kind contribution at its fair market value
23 and counts towards any applicable contribution limit of the provider.

24 (14) "Depository" means a bank, mutual savings bank, savings and
25 loan association, or credit union doing business in this state.

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

29 (16) "Election" includes any primary, general, or special
30 election for public office and any election in which a ballot
31 proposition is submitted to the voters. An election in which the
32 qualifications for voting include other than those requirements set
33 forth in Article VI, section 1 (Amendment 63) of the Constitution of
34 the state of Washington shall not be considered an election for
35 purposes of this chapter.

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

39 (18) "Election cycle" means the period beginning on the first day
40 of January after the date of the last previous general election for

1 the office that the candidate seeks and ending on December 31st after
2 the next election for the office. In the case of a special election
3 to fill a vacancy in an office, "election cycle" means the period
4 beginning on the day the vacancy occurs and ending on December 31st
5 after the special election.

6 (19)(a) "Electioneering communication" means any broadcast,
7 cable, or satellite television or radio transmission, United States
8 postal service mailing, billboard, newspaper, or periodical that:

9 (i) Clearly identifies a candidate for a state, local, or
10 judicial office either by specifically naming the candidate, or
11 identifying the candidate without using the candidate's name;

12 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
13 otherwise published within sixty days before any election for that
14 office in the jurisdiction in which the candidate is seeking
15 election; and

16 (iii) Either alone, or in combination with one or more
17 communications identifying the candidate by the same sponsor during
18 the sixty days before an election, has a fair market value of one
19 thousand dollars or more.

20 (b) "Electioneering communication" does not include:

21 (i) Usual and customary advertising of a business owned by a
22 candidate, even if the candidate is mentioned in the advertising when
23 the candidate has been regularly mentioned in that advertising
24 appearing at least twelve months preceding his or her becoming a
25 candidate;

26 (ii) Advertising for candidate debates or forums when the
27 advertising is paid for by or on behalf of the debate or forum
28 sponsor, so long as two or more candidates for the same position have
29 been invited to participate in the debate or forum;

30 (iii) A news item, feature, commentary, or editorial in a
31 regularly scheduled news medium that is:

32 (A) Of primary interest to the general public;

33 (B) In a news medium controlled by a person whose business is
34 that news medium; and

35 (C) Not a medium controlled by a candidate or a political
36 committee;

37 (iv) Slate cards and sample ballots;

38 (v) Advertising for books, films, dissertations, or similar works

39 (A) written by a candidate when the candidate entered into a contract

1 for such publications or media at least twelve months before becoming
2 a candidate, or (B) written about a candidate;

3 (vi) Public service announcements;

4 (vii) A mailed internal political communication primarily limited
5 to the members of or contributors to a political party organization
6 or political committee, or to the officers, management staff, or
7 stockholders of a corporation or similar enterprise, or to the
8 members of a labor organization or other membership organization;

9 (viii) An expenditure by or contribution to the authorized
10 committee of a candidate for state, local, or judicial office; or

11 (ix) Any other communication exempted by the commission through
12 rule consistent with the intent of this chapter.

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

28 (21) "Final report" means the report described as a final report
29 in RCW 42.17A.235(2).

30 (22) "General election" for the purposes of RCW 42.17A.405 means
31 the election that results in the election of a person to a state or
32 local office. It does not include a primary.

33 (23) "Gift" has the definition in RCW 42.52.010.

34 (24) "Immediate family" includes the spouse or domestic partner,
35 dependent children, and other dependent relatives, if living in the
36 household. For the purposes of the definition of "intermediary" in
37 this section, "immediate family" means an individual's spouse or
38 domestic partner, and child, stepchild, grandchild, parent,
39 stepparent, grandparent, brother, half brother, sister, or half
40 sister of the individual and the spouse or the domestic partner of

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

5 (25) "Incumbent" means a person who is in present possession of
6 an elected office.

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

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

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

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

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

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

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

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

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

7 (29) "Legislative office" means the office of a member of the
8 state house of representatives or the office of a member of the state
9 senate.

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

18 (31) "Lobbyist" includes any person who lobbies either in his or
19 her own or another's behalf.

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

23 (33) "Ministerial functions" means an act or duty carried out as
24 part of the duties of an administrative office without exercise of
25 personal judgment or discretion.

26 (34) "Participate" means that, with respect to a particular
27 election, an entity:

28 (a) Makes either a monetary or in-kind contribution to a
29 candidate;

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

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

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

39 (e) Directly or indirectly collaborates or consults with a
40 subsidiary corporation or local unit on matters relating to the

1 support of or opposition to a candidate, including, but not limited
2 to, the amount of a contribution, when a contribution should be
3 given, and what assistance, services or independent expenditures, or
4 electioneering communications, if any, will be made or should be made
5 in support of or opposition to a candidate.

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

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

18 (37) "Political committee" means any person (except a candidate
19 or an individual dealing with his or her own funds or property)
20 having the expectation of receiving contributions or making
21 expenditures in support of, or opposition to, any candidate or any
22 ballot proposition.

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

27 (39) "Public office" means any federal, state, judicial, county,
28 city, town, school district, port district, special district, or
29 other state political subdivision elective office.

30 (40) "Public record" has the definition in RCW 42.56.010.

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

34 (42)(a) "Sponsor" for purposes of an electioneering
35 communications, independent expenditures, or political advertising
36 means the person paying for the electioneering communication,
37 independent expenditure, or political advertising. If a person acts
38 as an agent for another or is reimbursed by another for the payment,
39 the original source of the payment is the sponsor.

1 (b) "Sponsor," for purposes of a political committee, means any
2 person, except an authorized committee, to whom any of the following
3 applies:

4 (i) The committee receives eighty percent or more of its
5 contributions either from the person or from the person's members,
6 officers, employees, or shareholders;

7 (ii) The person collects contributions for the committee by use
8 of payroll deductions or dues from its members, officers, or
9 employees.

10 (43) "Sponsored committee" means a committee, other than an
11 authorized committee, that has one or more sponsors.

12 (44) "State office" means state legislative office or the office
13 of governor, lieutenant governor, secretary of state, attorney
14 general, commissioner of public lands, insurance commissioner,
15 superintendent of public instruction, state auditor, or state
16 treasurer.

17 (45) "State official" means a person who holds a state office.

18 (46) "Surplus funds" mean, in the case of a political committee
19 or candidate, the balance of contributions that remain in the
20 possession or control of that committee or candidate subsequent to
21 the election for which the contributions were received, and that are
22 in excess of the amount necessary to pay remaining debts incurred by
23 the committee or candidate with respect to that election. In the case
24 of a continuing political committee, "surplus funds" mean those
25 contributions remaining in the possession or control of the committee
26 that are in excess of the amount necessary to pay all remaining debts
27 when it makes its final report under RCW 42.17A.255.

28 (47) "Treasurer" and "deputy treasurer" mean the individuals
29 appointed by a candidate or political committee, pursuant to RCW
30 42.17A.210, to perform the duties specified in that section.

31 **Sec. 2.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
32 read as follows:

33 Each report required under RCW 42.17A.235 (1) and (2) must be
34 certified as correct by the treasurer and the candidate and shall
35 disclose the following:

36 (1) The funds on hand at the beginning of the period;

37 (2) The name and address of each person who has made one or more
38 contributions during the period, together with the money value and
39 date of each contribution and the aggregate value of all

1 contributions received from each person during the campaign, or in
2 the case of a continuing political committee, the current calendar
3 year, with the following exceptions:

4 (a) Pledges in the aggregate of less than one hundred dollars
5 from any one person need not be reported;

6 (b) Income that results from a fund-raising activity conducted in
7 accordance with RCW 42.17A.230 may be reported as one lump sum, with
8 the exception of that portion received from persons whose names and
9 addresses are required to be included in the report required by RCW
10 42.17A.230;

11 (c) Contributions of no more than twenty-five dollars in the
12 aggregate from any one person during the election campaign may be
13 reported as one lump sum if the treasurer maintains a separate and
14 private list of the name, address, and amount of each such
15 contributor; and

16 (d) The money value of contributions of postage shall be the face
17 value of the postage;

18 (3) Each loan, promissory note, or security instrument to be used
19 by or for the benefit of the candidate or political committee made by
20 any person, including the names and addresses of the lender and each
21 person liable directly, indirectly or contingently and the date and
22 amount of each such loan, promissory note, or security instrument;

23 (4) All other contributions not otherwise listed or exempted;

24 (5) The name and address of each candidate or political committee
25 to which any transfer of funds or reimbursement of a shared campaign
26 expense was made, including the amounts and dates of the transfers or
27 reimbursements;

28 (6) The name and address of each person to whom an expenditure
29 was made in the aggregate amount of more than fifty dollars during
30 the period covered by this report, the amount, date, and purpose of
31 each expenditure, and the total sum of all expenditures;

32 (7) The name and address of each person directly compensated for
33 soliciting or procuring signatures on an initiative or referendum
34 petition, the amount of the compensation to each person, and the
35 total expenditures made for this purpose. Such expenditures shall be
36 reported under this subsection in addition to what is required to be
37 reported under subsection (6) of this section;

38 (8) The name and address of any person and the amount owed for
39 any debt, obligation, note, unpaid loan, or other liability in the
40 amount of more than two hundred fifty dollars or in the amount of

1 more than fifty dollars that has been outstanding for over thirty
2 days;

3 (9) The surplus or deficit of contributions over expenditures;

4 (10) The disposition made in accordance with RCW 42.17A.430 of
5 any surplus funds; and

6 (11) Any other information required by the commission by rule in
7 conformance with the policies and purposes of this chapter.

8 **Sec. 3.** RCW 42.17A.445 and 2010 c 204 s 608 are each amended to
9 read as follows:

10 Contributions received and reported in accordance with RCW
11 42.17A.220 through 42.17A.240 and 42.17A.425 may only be paid to a
12 candidate, or a treasurer or other individual or expended for such
13 individual's personal use under the following circumstances:

14 (1) Reimbursement for or payments to cover lost earnings incurred
15 as a result of campaigning or services performed for the political
16 committee. Lost earnings shall be verifiable as unpaid salary, or
17 when the individual is not salaried, as an amount not to exceed
18 income received by the individual for services rendered during an
19 appropriate, corresponding time period. All lost earnings incurred
20 shall be documented and a record shall be maintained by the candidate
21 or the candidate's authorized committee in accordance with RCW
22 42.17A.235.

23 (2) Reimbursement for direct out-of-pocket election campaign and
24 postelection campaign related expenses made by the individual. To
25 receive reimbursement from the political committee, the individual
26 shall provide the political committee with written documentation as
27 to the amount, date, and description of each expense, and the
28 political committee shall include a copy of such information when its
29 expenditure for such reimbursement is reported pursuant to RCW
30 42.17A.240. Reimbursement of an individual's out-of-pocket expenses
31 incurred on behalf of another political committee is a contribution
32 to the other political committee, subject to applicable contribution
33 limits and disclosure requirements.

34 (3) Repayment of loans made by the individual to political
35 committees shall be reported pursuant to RCW 42.17A.240. However,
36 contributions may not be used to reimburse a candidate for loans
37 totaling more than (~~four thousand seven~~) five thousand five hundred

1 dollars made by the candidate to the candidate's own authorized
2 committee.

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