

SSB 5991 - H COMM AMD

By Committee on State Government, Elections & Information Technology

ADOPTED 02/28/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** This act may be known and cited as the
4 democracy is strengthened by casting light on spending in elections
5 act of 2018 or the Washington state DISCLOSE act of 2018.

6 NEW SECTION. **Sec. 2.** 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, and strengthens representative democracy.

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

17 The legislature finds that nonprofit organizations are
18 increasingly engaging in campaign activities in Washington state and
19 across the country, including taking a more active role in
20 contributing to candidate and ballot proposition campaigns. In some
21 cases, these activities are occurring without adequate public
22 disclosure due to loopholes in campaign finance regulations.

23 The legislature finds that many nonprofit organizations wish to
24 use the provisions of current law to anonymously contribute to
25 campaign activity, frustrating the purposes of public disclosure
26 laws.

27 Therefore, the legislature intends to increase transparency and
28 accountability, deter corruption, and strengthen confidence in the
29 election process by closing campaign finance disclosure loopholes and
30 requiring the disclosure of contributions and expenditures by

1 nonprofit organizations that participate significantly in Washington
2 state elections.

3 **Sec. 3.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are
4 each reenacted and amended to read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

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

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

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

20 (4) "Ballot proposition" means any "measure" as defined by RCW
21 29A.04.091, or any initiative, recall, or referendum proposition
22 proposed to be submitted to the voters of the state or any municipal
23 corporation, political subdivision, or other voting constituency from
24 and after the time when the proposition has been initially filed with
25 the appropriate election officer of that constituency before its
26 circulation for signatures.

27 (5) "Benefit" means a commercial, proprietary, financial,
28 economic, or monetary advantage, or the avoidance of a commercial,
29 proprietary, financial, economic, or monetary disadvantage.

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

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

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

37 (c) The county central committee or legislative district
38 committee of a major political party. There may be only one

1 legislative district committee for each party in each legislative
2 district.

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

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

9 (b) Announces publicly or files for office;

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

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

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

18 (9) "Commercial advertiser" means any person who sells the
19 service of communicating messages or producing printed material for
20 broadcast or distribution to the general public or segments of the
21 general public whether through the use of newspapers, magazines,
22 television and radio stations, billboard companies, direct mail
23 advertising companies, printing companies, or otherwise.

24 (10) "Commission" means the agency established under RCW
25 42.17A.100.

26 (11) "Compensation" unless the context requires a narrower
27 meaning, includes payment in any form for real or personal property
28 or services of any kind. For the purpose of compliance with RCW
29 42.17A.710, "compensation" does not include per diem allowances or
30 other payments made by a governmental entity to reimburse a public
31 official for expenses incurred while the official is engaged in the
32 official business of the governmental entity.

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

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

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

1 (ii) An expenditure made by a person in cooperation,
2 consultation, or concert with, or at the request or suggestion of, a
3 candidate, a political or incidental committee, the person or persons
4 named on the candidate's or committee's registration form who direct
5 expenditures on behalf of the candidate or committee, or their
6 agents;

7 (iii) The financing by a person of the dissemination,
8 distribution, or republication, in whole or in part, of broadcast,
9 written, graphic, or other form of political advertising or
10 electioneering communication prepared by a candidate, a political or
11 incidental committee, or its authorized agent;

12 (iv) Sums paid for tickets to fund-raising events such as dinners
13 and parties, except for the actual cost of the consumables furnished
14 at the event.

15 (b) "Contribution" does not include:

16 (i) Standard interest on money deposited in a political or
17 incidental committee's account;

18 (ii) Ordinary home hospitality;

19 (iii) A contribution received by a candidate or political or
20 incidental committee that is returned to the contributor within five
21 business days of the date on which it is received by the candidate or
22 political or incidental committee;

23 (iv) A news item, feature, commentary, or editorial in a
24 regularly scheduled news medium that is of primary interest to the
25 general public, that is in a news medium controlled by a person whose
26 business is that news medium, and that is not controlled by a
27 candidate or a political or incidental committee;

28 (v) An internal political communication primarily limited to the
29 members of or contributors to a political party organization or
30 political or incidental committee, or to the officers, management
31 staff, or stockholders of a corporation or similar enterprise, or to
32 the members of a labor organization or other membership organization;

33 (vi) The rendering of personal services of the sort commonly
34 performed by volunteer campaign workers, or incidental expenses
35 personally incurred by volunteer campaign workers not in excess of
36 fifty dollars personally paid for by the worker. "Volunteer
37 services," for the purposes of this subsection, means services or
38 labor for which the individual is not compensated by any person;

39 (vii) Messages in the form of reader boards, banners, or yard or
40 window signs displayed on a person's own property or property

1 occupied by a person. However, a facility used for such political
2 advertising for which a rental charge is normally made must be
3 reported as an in-kind contribution and counts towards any applicable
4 contribution limit of the person providing the facility;

5 (viii) Legal or accounting services rendered to or on behalf of:

6 (A) A political party or caucus political committee if the person
7 paying for the services is the regular employer of the person
8 rendering such services; or

9 (B) A candidate or an authorized committee if the person paying
10 for the services is the regular employer of the individual rendering
11 the services and if the services are solely for the purpose of
12 ensuring compliance with state election or public disclosure laws; or

13 (ix) The performance of ministerial functions by a person on
14 behalf of two or more candidates or political or incidental
15 committees either as volunteer services defined in (b)(vi) of this
16 subsection or for payment by the candidate or political or incidental
17 committee for whom the services are performed as long as:

18 (A) The person performs solely ministerial functions;

19 (B) A person who is paid by two or more candidates or political
20 or incidental committees is identified by the candidates and
21 political committees on whose behalf services are performed as part
22 of their respective statements of organization under RCW 42.17A.205;
23 and

24 (C) The person does not disclose, except as required by law, any
25 information regarding a candidate's or committee's plans, projects,
26 activities, or needs, or regarding a candidate's or committee's
27 contributions or expenditures that is not already publicly available
28 from campaign reports filed with the commission, or otherwise engage
29 in activity that constitutes a contribution under (a)(ii) of this
30 subsection.

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

35 (c) Contributions other than money or its equivalent are deemed
36 to have a monetary value equivalent to the fair market value of the
37 contribution. Services or property or rights furnished at less than
38 their fair market value for the purpose of assisting any candidate or
39 political committee are deemed a contribution. Such a contribution

1 must be reported as an in-kind contribution at its fair market value
2 and counts towards any applicable contribution limit of the provider.

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

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

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

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

18 (18) "Election cycle" means the period beginning on the first day
19 of January after the date of the last previous general election for
20 the office that the candidate seeks and ending on December 31st after
21 the next election for the office. In the case of a special election
22 to fill a vacancy in an office, "election cycle" means the period
23 beginning on the day the vacancy occurs and ending on December 31st
24 after the special election.

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

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

31 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
32 otherwise published within sixty days before any election for that
33 office in the jurisdiction in which the candidate is seeking
34 election; and

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

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

1 (i) Usual and customary advertising of a business owned by a
2 candidate, even if the candidate is mentioned in the advertising when
3 the candidate has been regularly mentioned in that advertising
4 appearing at least twelve months preceding his or her becoming a
5 candidate;

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

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

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

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

15 (C) Not a medium controlled by a candidate or a political or
16 incidental committee;

17 (iv) Slate cards and sample ballots;

18 (v) Advertising for books, films, dissertations, or similar works
19 (A) written by a candidate when the candidate entered into a contract
20 for such publications or media at least twelve months before becoming
21 a candidate, or (B) written about a candidate;

22 (vi) Public service announcements;

23 (vii) A mailed internal political communication primarily limited
24 to the members of or contributors to a political party organization
25 or political or incidental committee, or to the officers, management
26 staff, or stockholders of a corporation or similar enterprise, or to
27 the members of a labor organization or other membership organization;

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

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

32 (20) "Expenditure" includes a payment, contribution,
33 subscription, distribution, loan, advance, deposit, or gift of money
34 or anything of value, and includes a contract, promise, or agreement,
35 whether or not legally enforceable, to make an expenditure.
36 "Expenditure" also includes a promise to pay, a payment, or a
37 transfer of anything of value in exchange for goods, services,
38 property, facilities, or anything of value for the purpose of
39 assisting, benefiting, or honoring any public official or candidate,
40 or assisting in furthering or opposing any election campaign. For the

1 purposes of this chapter, agreements to make expenditures, contracts,
2 and promises to pay may be reported as estimated obligations until
3 actual payment is made. "Expenditure" shall not include the partial
4 or complete repayment by a candidate or political or incidental
5 committee of the principal of a loan, the receipt of which loan has
6 been properly reported.

7 (21) "Final report" means the report described as a final report
8 in RCW 42.17A.235(~~(+2)~~) (8).

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

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

13 (24) "Immediate family" includes the spouse or domestic partner,
14 dependent children, and other dependent relatives, if living in the
15 household. For the purposes of the definition of "intermediary" in
16 this section, "immediate family" means an individual's spouse or
17 domestic partner, and child, stepchild, grandchild, parent,
18 stepparent, grandparent, brother, half brother, sister, or half
19 sister of the individual and the spouse or the domestic partner of
20 any such person and a child, stepchild, grandchild, parent,
21 stepparent, grandparent, brother, half brother, sister, or half
22 sister of the individual's spouse or domestic partner and the spouse
23 or the domestic partner of any such person.

24 (25) "Incidental committee" means any nonprofit organization not
25 otherwise defined as a political committee but that may incidentally
26 make a contribution or an expenditure in excess of the reporting
27 thresholds in section 5 of this act, directly or through a political
28 committee. Any nonprofit organization is not an incidental committee
29 if it is only remitting payments through the nonprofit organization
30 in an aggregated form and the nonprofit organization is not required
31 to report those payments in accordance with this chapter.

32 (26) "Incumbent" means a person who is in present possession of
33 an elected office.

34 (~~(+26)~~) (27) "Independent expenditure" means an expenditure that
35 has each of the following elements:

36 (a) It is made in support of or in opposition to a candidate for
37 office by a person who is not (i) a candidate for that office, (ii)
38 an authorized committee of that candidate for that office, (iii) a
39 person who has received the candidate's encouragement or approval to
40 make the expenditure, if the expenditure pays in whole or in part for

1 political advertising supporting that candidate or promoting the
2 defeat of any other candidate or candidates for that office, or (iv)
3 a person with whom the candidate has collaborated for the purpose of
4 making the expenditure, if the expenditure pays in whole or in part
5 for political advertising supporting that candidate or promoting the
6 defeat of any other candidate or candidates for that office;

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

11 (c) The expenditure, alone or in conjunction with another
12 expenditure or other expenditures of the same person in support of or
13 opposition to that candidate, has a value of eight hundred dollars or
14 more. A series of expenditures, each of which is under eight hundred
15 dollars, constitutes one independent expenditure if their cumulative
16 value is eight hundred dollars or more.

17 ~~((+27))~~ (28)(a) "Intermediary" means an individual who transmits
18 a contribution to a candidate or committee from another person unless
19 the contribution is from the individual's employer, immediate family,
20 or an association to which the individual belongs.

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

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

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

28 ~~((+28))~~ (29) "Legislation" means bills, resolutions, motions,
29 amendments, nominations, and other matters pending or proposed in
30 either house of the state legislature, and includes any other matter
31 that may be the subject of action by either house or any committee of
32 the legislature and all bills and resolutions that, having passed
33 both houses, are pending approval by the governor.

34 ~~((+29))~~ (30) "Legislative office" means the office of a member
35 of the state house of representatives or the office of a member of
36 the state senate.

37 ~~((+30))~~ (31) "Lobby" and "lobbying" each mean attempting to
38 influence the passage or defeat of any legislation by the legislature
39 of the state of Washington, or the adoption or rejection of any rule,
40 standard, rate, or other legislative enactment of any state agency

1 under the state administrative procedure act, chapter 34.05 RCW.
2 Neither "lobby" nor "lobbying" includes an association's or other
3 organization's act of communicating with the members of that
4 association or organization.

5 ~~((+31+))~~ (32) "Lobbyist" includes any person who lobbies either
6 in his or her own or another's behalf.

7 ~~((+32+))~~ (33) "Lobbyist's employer" means the person or persons
8 by whom a lobbyist is employed and all persons by whom he or she is
9 compensated for acting as a lobbyist.

10 ~~((+33+))~~ (34) "Ministerial functions" means an act or duty
11 carried out as part of the duties of an administrative office without
12 exercise of personal judgment or discretion.

13 ~~((+34+))~~ (35) "Participate" means that, with respect to a
14 particular election, an entity:

15 (a) Makes either a monetary or in-kind contribution to a
16 candidate;

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

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

22 (d) Makes a recommendation regarding whether a candidate should
23 be supported or opposed before a contribution is made by a subsidiary
24 corporation or local unit with respect to that candidate or that
25 candidate's opponent; or

26 (e) Directly or indirectly collaborates or consults with a
27 subsidiary corporation or local unit on matters relating to the
28 support of or opposition to a candidate, including, but not limited
29 to, the amount of a contribution, when a contribution should be
30 given, and what assistance, services or independent expenditures, or
31 electioneering communications, if any, will be made or should be made
32 in support of or opposition to a candidate.

33 ~~((+35+))~~ (36) "Person" includes an individual, partnership, joint
34 venture, public or private corporation, association, federal, state,
35 or local governmental entity or agency however constituted,
36 candidate, committee, political committee, political party, executive
37 committee thereof, or any other organization or group of persons,
38 however organized.

39 ~~((+36+))~~ (37) "Political advertising" includes any advertising
40 displays, newspaper ads, billboards, signs, brochures, articles,

1 tabloids, flyers, letters, radio or television presentations, or
2 other means of mass communication, used for the purpose of appealing,
3 directly or indirectly, for votes or for financial or other support
4 or opposition in any election campaign.

5 ~~((37))~~ (38) "Political committee" means any person (except a
6 candidate or an individual dealing with his or her own funds or
7 property) having the expectation of receiving contributions or making
8 expenditures in support of, or opposition to, any candidate or any
9 ballot proposition.

10 ~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means
11 the procedure for nominating a candidate to state or local office
12 under chapter 29A.52 RCW or any other primary for an election that
13 uses, in large measure, the procedures established in chapter 29A.52
14 RCW.

15 ~~((39))~~ (40) "Public office" means any federal, state, judicial,
16 county, city, town, school district, port district, special district,
17 or other state political subdivision elective office.

18 ~~((40))~~ (41) "Public record" has the definition in RCW
19 42.56.010.

20 ~~((41))~~ (42) "Recall campaign" means the period of time
21 beginning on the date of the filing of recall charges under RCW
22 29A.56.120 and ending thirty days after the recall election.

23 ~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering
24 communications, independent expenditures, or political advertising
25 means the person paying for the electioneering communication,
26 independent expenditure, or political advertising. If a person acts
27 as an agent for another or is reimbursed by another for the payment,
28 the original source of the payment is the sponsor.

29 (b) "Sponsor," for purposes of a political or incidental
30 committee, means any person, except an authorized committee, to whom
31 any of the following applies:

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

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

38 ~~((43))~~ (44) "Sponsored committee" means a committee, other than
39 an authorized committee, that has one or more sponsors.

1 (~~(44)~~) (45) "State office" means state legislative office or
2 the office of governor, lieutenant governor, secretary of state,
3 attorney general, commissioner of public lands, insurance
4 commissioner, superintendent of public instruction, state auditor, or
5 state treasurer.

6 (~~(45)~~) (46) "State official" means a person who holds a state
7 office.

8 (~~(46)~~) (47) "Surplus funds" mean, in the case of a political
9 committee or candidate, the balance of contributions that remain in
10 the possession or control of that committee or candidate subsequent
11 to the election for which the contributions were received, and that
12 are in excess of the amount necessary to pay remaining debts incurred
13 by the committee or candidate with respect to that election. In the
14 case of a continuing political committee, "surplus funds" mean those
15 contributions remaining in the possession or control of the committee
16 that are in excess of the amount necessary to pay all remaining debts
17 when it makes its final report under RCW 42.17A.255.

18 (~~(47)~~) (48) "Treasurer" and "deputy treasurer" mean the
19 individuals appointed by a candidate or political or incidental
20 committee, pursuant to RCW 42.17A.210, to perform the duties
21 specified in that section.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 42.17A
23 RCW to read as follows:

24 (1)(a) An incidental committee must file a statement of
25 organization with the commission within two weeks after the date the
26 committee first:

27 (i) Has the expectation of making contributions or expenditures
28 aggregating at least twenty-five thousand dollars in a calendar year
29 in any election campaign, or to a political committee; and

30 (ii) Is required to disclose a payment received under RCW
31 42.17A.240(2)(d).

32 (b) If an incidental committee first meets the criteria requiring
33 filing a statement of organization as specified in (a) of this
34 subsection in the last three weeks before an election, then it must
35 file the statement of organization within three business days.

36 (2) The statement of organization must include but is not limited
37 to:

38 (a) The name and address of the committee;

1 (b) The names and addresses of all related or affiliated
2 political or incidental committees or other persons, and the nature
3 of the relationship or affiliation;

4 (c) The names, addresses, and titles of its officers; or if it
5 has no officers, the names, addresses, and titles of its responsible
6 leaders and the name of the person designated as the treasurer of the
7 incidental committee;

8 (d) The name, office sought, and party affiliation of each
9 candidate whom the committee is supporting or opposing if the
10 committee contributes directly to a candidate and, if donating to a
11 political committee, the name and address of that political
12 committee;

13 (e) The ballot proposition concerned, if any, and whether the
14 committee is in favor of or opposed to such proposition; and

15 (f) Such other information as the commission may by rule
16 prescribe, in keeping with the policies and purposes of this chapter.

17 (3) Any material change in information previously submitted in a
18 statement of organization must be reported to the commission within
19 the ten days following the change.

20 **Sec. 5.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to
21 read as follows:

22 (1) In addition to the information required under RCW 42.17A.205
23 and 42.17A.210, on the day the treasurer is designated, each
24 candidate or political committee must file with the commission a
25 report of all contributions received and expenditures made prior to
26 that date, if any. In addition to the information required under RCW
27 42.17A.205 and 42.17A.210, on the day an incidental committee files a
28 statement of organization with the commission, each incidental
29 committee must file with the commission a report of any election
30 campaign expenditures under RCW 42.17A.240(6), as well as the source
31 of the ten largest cumulative payments of ten thousand dollars or
32 greater it received in the current calendar year from a single
33 person, including any persons tied as the tenth largest source of
34 payments it received, if any.

35 (2) Each treasurer of a candidate or political committee or
36 incidental committee required to file a statement of organization
37 under this chapter shall file with the commission a report containing
38 the information required by RCW 42.17A.240 at the following
39 intervals:

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

3 (b) On the tenth day of the first month after the election; and

4 (c) On the tenth day of each month in which no other reports are
5 required to be filed under this section:

6 (i) For a political committee only if the committee has received
7 a contribution or made an expenditure in the preceding calendar month
8 and either the total contributions received or total expenditures
9 made since the last such report exceed two hundred dollars; or

10 (ii) For an incidental committee, only if the committee has:

11 (A) Received a payment that would change the information required
12 under RCW 42.17A.240(2)(d) as included in its last report; or

13 (B) Made any election campaign expenditure reportable under RCW
14 42.17A.240(6) since its last report, and the total election campaign
15 expenditures made since the last report exceed two hundred dollars.

16 The report filed twenty-one days before the election shall report
17 all contributions received and expenditures made as of the end of one
18 business day before the date of the report. The report filed seven
19 days before the election shall report all contributions received and
20 expenditures made as of the end of one business day before the date
21 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
24 month preceding the date of the current report.

25 (3) For the period beginning the first day of the fourth month
26 preceding the date of the special election, or for the period
27 beginning the first day of the fifth month before the date of the
28 general election, and ending on the date of that special or general
29 election, each Monday the treasurer for a candidate or a political
30 committee shall file with the commission a report of each bank
31 deposit made during the previous seven calendar days. The report
32 shall contain the name of each person contributing the funds and the
33 amount contributed by each person. However, persons who contribute no
34 more than twenty-five dollars in the aggregate are not required to be
35 identified in the report. A copy of the report shall be retained by
36 the treasurer for his or her records. In the event of deposits made
37 by a deputy treasurer, the copy shall be forwarded to the treasurer
38 for his or her records. Each report shall be certified as correct by
39 the treasurer or deputy treasurer making the deposit.

1 (4)(a) The treasurer (~~(or)~~) for a candidate or a political
2 committee shall maintain books of account accurately reflecting all
3 contributions and expenditures on a current basis within five
4 business days of receipt or expenditure. During the eight days
5 immediately preceding the date of the election the books of account
6 shall be kept current within one business day. As specified in the
7 political committee's statement of organization filed under RCW
8 42.17A.205, the books of account must be open for public inspection
9 by appointment at the designated place for inspections between 8:00
10 a.m. and 8:00 p.m. on any day from the eighth day immediately before
11 the election through the day immediately before the election, other
12 than Saturday, Sunday, or a legal holiday. It is a violation of this
13 chapter for a candidate or political committee to refuse to allow and
14 keep an appointment for an inspection to be conducted during these
15 authorized times and days. The appointment must be allowed at an
16 authorized time and day for such inspections that is within twenty-
17 four hours of the time and day that is requested for the inspection.

18 (b) At the time of making the appointment, a person wishing to
19 inspect the books of account must provide the treasurer the name and
20 telephone number of the person wishing to inspect the books of
21 account. The person inspecting the books of account must show photo
22 identification before the inspection begins.

23 (c) A treasurer may refuse to show the books of account to any
24 person who does not make an appointment or provide the required
25 identification.

26 (5) Copies of all reports filed pursuant to this section shall be
27 readily available for public inspection by appointment, pursuant to
28 subsection (4) of this section, at the principal headquarters or, if
29 there is no headquarters, at the address of the treasurer or such
30 other place as may be authorized by the commission.

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

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

38 (8) When there is no outstanding debt or obligation, the campaign
39 fund is closed, and the campaign is concluded in all respects or in
40 the case of a political committee, the committee has ceased to

1 function and has dissolved, the treasurer shall file a final report.
2 Upon submitting a final report, the duties of the treasurer shall
3 cease and there is no obligation to make any further reports.

4 (9) The commission must adopt rules for the dissolution of
5 incidental committees.

6 **Sec. 6.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
7 read as follows:

8 Each report required under RCW 42.17A.235 (1) and (2) must be
9 certified as correct by the treasurer and the candidate and shall
10 disclose the following except that the commission may suspend or
11 modify reporting requirements for contributions received by an
12 incidental committee in cases of manifestly unreasonable hardship
13 under RCW 42.17A.120:

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

15 (2) The name and address of each person who has made one or more
16 contributions during the period, together with the money value and
17 date of each contribution and the aggregate value of all
18 contributions received from each person during the campaign, or in
19 the case of a continuing political committee, the current calendar
20 year, with the following exceptions:

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

23 (b) Income that results from a fund-raising activity conducted in
24 accordance with RCW 42.17A.230 may be reported as one lump sum, with
25 the exception of that portion received from persons whose names and
26 addresses are required to be included in the report required by RCW
27 42.17A.230;

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

33 (d) Payments received by an incidental committee from any one
34 person need not be reported unless the person is one of the
35 committee's ten largest sources of payments received, including any
36 persons tied as the tenth largest source of payments received, during
37 the current calendar year, and the value of the cumulative payments
38 received from that person during the current calendar year is ten
39 thousand dollars or greater. For payments to incidental committees

1 from multiple persons received in aggregated form, any payment of
2 more than ten thousand dollars from any single person must be
3 reported, but the aggregated payment itself may not be reported;

4 (e) Payments from private foundations organized under section
5 501(c)(3) of the internal revenue code to an incidental committee do
6 not have to be reported if:

7 (i) The private foundation is contracting with the incidental
8 committee for a specific purpose other than election campaign
9 purposes;

10 (ii) Use of the funds for election campaign purposes is
11 explicitly prohibited by contract; and

12 (iii) Funding from the private foundation represents less than
13 twenty-five percent of the incidental committee's total budget;

14 (f) For purposes of this subsection, commentary or analysis on a
15 ballot measure by an incidental committee is not considered a
16 contribution if it does not advocate specifically to vote for or
17 against the ballot measure; and

18 (g) The money value of contributions of postage (~~shall be~~) is
19 the face value of the postage;

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

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

26 (5) The name and address of each candidate or political committee
27 to which any transfer of funds was made, including the amounts and
28 dates of the transfers;

29 (6) The name and address of each person to whom an expenditure
30 was made in the aggregate amount of more than fifty dollars during
31 the period covered by this report, the amount, date, and purpose of
32 each expenditure, and the total sum of all expenditures. An
33 incidental committee only must report on expenditures, made and
34 reportable as contributions as defined in RCW 42.17A.005, to election
35 campaigns. For purposes of this subsection, commentary or analysis on
36 a ballot measure by an incidental committee is not considered an
37 expenditure if it does not advocate specifically to vote for or
38 against the ballot measure;

39 (7) The name and address of each person directly compensated for
40 soliciting or procuring signatures on an initiative or referendum

1 petition, the amount of the compensation to each person, and the
2 total expenditures made for this purpose. Such expenditures shall be
3 reported under this subsection in addition to what is required to be
4 reported under subsection (6) of this section;

5 (8) The name and address of any person and the amount owed for
6 any debt, obligation, note, unpaid loan, or other liability in the
7 amount of more than two hundred fifty dollars or in the amount of
8 more than fifty dollars that has been outstanding for over thirty
9 days;

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

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

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

15 **Sec. 7.** RCW 42.17A.420 and 2010 c 204 s 604 are each amended to
16 read as follows:

17 (1) It is a violation of this chapter for any person to make, or
18 for any candidate or political committee to accept from any one
19 person, contributions reportable under RCW 42.17A.240 in the
20 aggregate exceeding fifty thousand dollars for any campaign for
21 statewide office or exceeding five thousand dollars for any other
22 campaign subject to the provisions of this chapter within twenty-one
23 days of a general election. This subsection does not apply to
24 contributions made by, or accepted from, a bona fide political party
25 as defined in this chapter, excluding the county central committee or
26 legislative district committee. This subsection does not apply to
27 payments received by an incidental committee.

28 (2) Contributions governed by this section include, but are not
29 limited to, contributions made or received indirectly through a third
30 party or entity whether the contributions are or are not reported to
31 the commission as earmarked contributions under RCW 42.17A.270.

32 NEW SECTION. **Sec. 8.** The public disclosure commission shall
33 implement the provisions of this act within existing funds.

34 NEW SECTION. **Sec. 9.** If any provision of this act or its
35 application to any person or circumstance is held invalid, the
36 remainder of the act or the application of the provision to other
37 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 10.** This act takes effect January 1, 2019."

2 Correct the title.

EFFECT: (1) Excludes from the definition of "incidental committee" nonprofit organizations that only remit nonreportable payments in aggregated form.

 (2) Raises the campaign contribution and expenditure threshold that triggers the reporting requirements for incidental committees from \$10,000 to \$25,000.

 (3) Provides that aggregated payments are not reportable as a top ten payment, but any qualifying individual payment that is included in aggregated form is reportable.

 (4) Removes the separate reporting requirement for single source payments over \$100,000.

 (5) Excludes funds received from private foundations from the top ten payments to an incidental committee if the funds are used for noncampaign-related purposes.

 (6) Provides that commentary or analysis by an incidental committee that does not specifically advocate for or against a ballot measure is not considered a contribution or a reportable expenditure.

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