

ESHB 2938 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 2/27/18

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that state campaign
4 finance laws are intended to provide maximum transparency to the
5 public and voters so they may know who is funding political campaigns
6 and how those campaigns spend their money. Additionally, our campaign
7 finance laws should not be so complex and complicated that volunteers
8 and newcomers to the political process cannot understand the rules or
9 have difficulty following them. The legislature believes that our
10 campaign finance laws should not be a barrier to participating in the
11 political process, but instead encourage people to participate in the
12 process by ensuring a level playing field and a predictable
13 enforcement mechanism. The legislature intends to simplify the
14 political reporting and enforcement process without sacrificing
15 transparency and the public's right to know who funds political
16 campaigns. The legislature also intends to expedite the public
17 disclosure commission's enforcement procedures so that remedial
18 campaign finance violations can be dealt with administratively.

19 The intent of the law is not to trap or embarrass people when
20 they make honest remediable errors. A majority of smaller campaigns
21 are volunteer-driven and most treasurers are not professional
22 accountants. The public disclosure commission should be guided to
23 review and address major violations, intentional violations, and
24 violations that could change the outcome of an election or materially
25 affect the public interest.

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

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

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

1 (2) "Actual violation" means a violation of this chapter that is
2 not a remedial violation or technical correction.

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

10 (~~(3)~~) (4) "Authorized committee" means the political committee
11 authorized by a candidate, or by the public official against whom
12 recall charges have been filed, to accept contributions or make
13 expenditures on behalf of the candidate or public official.

14 (~~(4)~~) (5) "Ballot proposition" means any "measure" as defined
15 by RCW 29A.04.091, or any initiative, recall, or referendum
16 proposition proposed to be submitted to the voters of the state or
17 any municipal corporation, political subdivision, or other voting
18 constituency from and after the time when the proposition has been
19 initially filed with the appropriate election officer of that
20 constituency before its circulation for signatures.

21 (~~(5)~~) (6) "Benefit" means a commercial, proprietary, financial,
22 economic, or monetary advantage, or the avoidance of a commercial,
23 proprietary, financial, economic, or monetary disadvantage.

24 (~~(6)~~) (7) "Bona fide political party" means:

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

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

31 (c) The county central committee or legislative district
32 committee of a major political party. There may be only one
33 legislative district committee for each party in each legislative
34 district.

35 (~~(7)~~) (8) "Books of account" means:

36 (a) In the case of a campaign or political committee, a ledger or
37 similar listing of contributions, expenditures, and debts, such as a
38 campaign or committee is required to file regularly with the
39 commission, current as of the most recent business day; or

1 (b) In the case of a commercial advertiser, details of political
2 advertising or electioneering communications provided by the
3 advertiser, including the names and addresses of persons from whom it
4 accepted political advertising or electioneering communications, the
5 exact nature and extent of the services rendered and the total cost
6 and the manner of payment for the services.

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

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

13 (b) Announces publicly or files for office;

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

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

19 ~~((+8))~~ (10) "Caucus political committee" means a political
20 committee organized and maintained by the members of a major
21 political party in the state senate or state house of
22 representatives.

23 ~~((+9))~~ (11) "Commercial advertiser" means any person who sells
24 the service of communicating messages or producing printed material
25 for broadcast or distribution to the general public or segments of
26 the general public whether through the use of newspapers, magazines,
27 television and radio stations, billboard companies, direct mail
28 advertising companies, printing companies, or otherwise.

29 ~~((+10))~~ (12) "Commission" means the agency established under RCW
30 42.17A.100.

31 ~~((+11))~~ (13) "Committee" unless the context indicates otherwise,
32 includes any candidate, ballot measure, recall, political, or
33 continuing committee.

34 (14) "Compensation" unless the context requires a narrower
35 meaning, includes payment in any form for real or personal property
36 or services of any kind. For the purpose of compliance with RCW
37 42.17A.710, "compensation" does not include per diem allowances or
38 other payments made by a governmental entity to reimburse a public
39 official for expenses incurred while the official is engaged in the
40 official business of the governmental entity.

1 (~~(12)~~) (15) "Continuing political committee" means a political
2 committee that is an organization of continuing existence not
3 established in anticipation of any particular election campaign.

4 (~~(13)~~) (16)(a) "Contribution" includes:

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

9 (ii) An expenditure made by a person in cooperation,
10 consultation, or concert with, or at the request or suggestion of, a
11 candidate, a political committee, the person or persons named on the
12 candidate's or committee's registration form who direct expenditures
13 on behalf of the candidate or committee, or their agents;

14 (iii) The financing by a person of the dissemination,
15 distribution, or republication, in whole or in part, of broadcast,
16 written, graphic, or other form of political advertising or
17 electioneering communication prepared by a candidate, a political
18 committee, or its authorized agent;

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

22 (b) "Contribution" does not include:

23 (i) (~~(Standard)~~) Legally accrued interest on money deposited in a
24 political committee's account;

25 (ii) Ordinary home hospitality;

26 (iii) A contribution received by a candidate or political
27 committee that is returned to the contributor within (~~(five)~~) ten
28 business days of the date on which it is received by the candidate or
29 political committee;

30 (iv) A news item, feature, commentary, or editorial in a
31 regularly scheduled news medium that is of primary interest to the
32 general public, that is in a news medium controlled by a person whose
33 business is that news medium, and that is not controlled by a
34 candidate or a political committee;

35 (v) An internal political communication primarily limited to the
36 members of or contributors to a political party organization or
37 political committee, or to the officers, management staff, or
38 stockholders of a corporation or similar enterprise, or to the
39 members of a labor organization or other membership organization;

1 (vi) The rendering of personal services of the sort commonly
2 performed by volunteer campaign workers, or incidental expenses
3 personally incurred by volunteer campaign workers not in excess of
4 fifty dollars personally paid for by the worker. "Volunteer
5 services," for the purposes of this subsection, means services or
6 labor for which the individual is not compensated by any person;

7 (vii) Messages in the form of reader boards, banners, or yard or
8 window signs displayed on a person's own property or property
9 occupied by a person. However, a facility used for such political
10 advertising for which a rental charge is normally made must be
11 reported as an in-kind contribution and counts towards any applicable
12 contribution limit of the person providing the facility;

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

14 (A) A political party or caucus political committee if the person
15 paying for the services is the regular employer of the person
16 rendering such services; or

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

21 (ix) The performance of ministerial functions by a person on
22 behalf of two or more candidates or political committees either as
23 volunteer services defined in (b)(vi) of this subsection or for
24 payment by the candidate or political committee for whom the services
25 are performed as long as:

26 (A) The person performs solely ministerial functions;

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

31 (C) The person does not disclose, except as required by law, any
32 information regarding a candidate's or committee's plans, projects,
33 activities, or needs, or regarding a candidate's or committee's
34 contributions or expenditures that is not already publicly available
35 from campaign reports filed with the commission, or otherwise engage
36 in activity that constitutes a contribution under (a)(ii) of this
37 subsection.

38 A person who performs ministerial functions under this subsection
39 (~~((+13))~~) (16)(b)(ix) is not considered an agent of the candidate or
40 committee as long as he or she has no authority to authorize

1 expenditures or make decisions on behalf of the candidate or
2 committee.

3 (c) Contributions other than money or its equivalent are deemed
4 to have a monetary value equivalent to the fair market value of the
5 contribution. Services or property or rights furnished at less than
6 their fair market value for the purpose of assisting any candidate or
7 political committee are deemed a contribution. Such a contribution
8 must be reported as an in-kind contribution at its fair market value
9 and counts towards any applicable contribution limit of the provider.

10 ~~((14))~~ (17) "Depository" means a bank, mutual savings bank,
11 savings and loan association, or credit union doing business in this
12 state.

13 ~~((15))~~ (18) "Elected official" means any person elected at a
14 general or special election to any public office, and any person
15 appointed to fill a vacancy in any such office.

16 ~~((16))~~ (19) "Election" includes any primary, general, or
17 special election for public office and any election in which a ballot
18 proposition is submitted to the voters. An election in which the
19 qualifications for voting include other than those requirements set
20 forth in Article VI, section 1 (Amendment 63) of the Constitution of
21 the state of Washington shall not be considered an election for
22 purposes of this chapter.

23 ~~((17))~~ (20) "Election campaign" means any campaign in support
24 of or in opposition to a candidate for election to public office and
25 any campaign in support of, or in opposition to, a ballot
26 proposition.

27 ~~((18))~~ (21) "Election cycle" means the period beginning on the
28 first day of January after the date of the last previous general
29 election for the office that the candidate seeks and ending on
30 December 31st after the next election for the office. In the case of
31 a special election to fill a vacancy in an office, "election cycle"
32 means the period beginning on the day the vacancy occurs and ending
33 on December 31st after the special election.

34 ~~((19))~~ (22)(a) "Electioneering communication" means any
35 broadcast, cable, or satellite television ~~((or))~~, radio transmission,
36 digital communication, United States postal service mailing,
37 billboard, newspaper, or periodical that:

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

1 (ii) Is broadcast, transmitted electronically or by other means,
2 mailed, erected, distributed, or otherwise published within sixty
3 days before any election for that office in the jurisdiction in which
4 the candidate is seeking election; and

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

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

10 (i) Usual and customary advertising of a business owned by a
11 candidate, even if the candidate is mentioned in the advertising when
12 the candidate has been regularly mentioned in that advertising
13 appearing at least twelve months preceding his or her becoming a
14 candidate;

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

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

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

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

24 (C) Not a medium controlled by a candidate or a political
25 committee;

26 (iv) Slate cards and sample ballots;

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

31 (vi) Public service announcements;

32 (vii) (~~A mailed~~) An internal political communication primarily
33 limited to the members of or contributors to a political party
34 organization or political committee, or to the officers, management
35 staff, or stockholders of a corporation or similar enterprise, or to
36 the members of a labor organization or other membership organization;

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

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

1 ~~((20))~~ (23) "Expenditure" includes a payment, contribution,
2 subscription, distribution, loan, advance, deposit, or gift of money
3 or anything of value, and includes a contract, promise, or agreement,
4 whether or not legally enforceable, to make an expenditure.
5 "Expenditure" also includes a promise to pay, a payment, or a
6 transfer of anything of value in exchange for goods, services,
7 property, facilities, or anything of value for the purpose of
8 assisting, benefiting, or honoring any public official or candidate,
9 or assisting in furthering or opposing any election campaign. For the
10 purposes of this chapter, agreements to make expenditures, contracts,
11 and promises to pay may be reported as estimated obligations until
12 actual payment is made. "Expenditure" shall not include the partial
13 or complete repayment by a candidate or political committee of the
14 principal of a loan, the receipt of which loan has been properly
15 reported.

16 ~~((21))~~ (24) "Final report" means the report described as a
17 final report in RCW 42.17A.235(2).

18 ~~((22))~~ (25) "General election" for the purposes of RCW
19 42.17A.405 means the election that results in the election of a
20 person to a state or local office. It does not include a primary.

21 ~~((23))~~ (26) "Gift" has the definition in RCW 42.52.010.

22 ~~((24))~~ (27) "Immediate family" includes the spouse or domestic
23 partner, dependent children, and other dependent relatives, if living
24 in the household. For the purposes of the definition of
25 "intermediary" in this section, "immediate family" means an
26 individual's spouse or domestic partner, and child, stepchild,
27 grandchild, parent, stepparent, grandparent, brother, half brother,
28 sister, or half sister of the individual and the spouse or the
29 domestic partner of any such person and a child, stepchild,
30 grandchild, parent, stepparent, grandparent, brother, half brother,
31 sister, or half sister of the individual's spouse or domestic partner
32 and the spouse or the domestic partner of any such person.

33 ~~((25))~~ (28) "Incumbent" means a person who is in present
34 possession of an elected office.

35 ~~((26))~~ (29)(a) "Independent expenditure" means an expenditure
36 that has each of the following elements:

37 ~~((a))~~ (i) It is made in support of or in opposition to a
38 candidate for office by a person who is not ~~((i))~~:

39 (A) A candidate for that office ~~((i))~~;

1 (B) An authorized committee of that candidate for that office(~~(~~
2 ~~iii))~~); and

3 (C) A person who has received the candidate's encouragement or
4 approval to make the expenditure, if the expenditure pays in whole or
5 in part for political advertising supporting that candidate or
6 promoting the defeat of any other candidate or candidates for that
7 office(~~(~~~~or~~~~(iv))~~);

8 (ii) It is made in support of or in opposition to a candidate for
9 office by a person with whom the candidate has not collaborated for
10 the purpose of making the expenditure, if the expenditure pays in
11 whole or in part for political advertising supporting that candidate
12 or promoting the defeat of any other candidate or candidates for that
13 office;

14 ~~((b))~~ (iii) The expenditure pays in whole or in part for
15 political advertising that either specifically names the candidate
16 supported or opposed, or clearly and beyond any doubt identifies the
17 candidate without using the candidate's name; and

18 ~~((e))~~ (iv) The expenditure, alone or in conjunction with
19 another expenditure or other expenditures of the same person in
20 support of or opposition to that candidate, has a value of (~~eight~~
21 ~~hundred dollars~~) one-half the contribution limit from an individual
22 per election or more. A series of expenditures, each of which is
23 under (~~eight hundred dollars~~) one-half the contribution limit from
24 an individual per election, constitutes one independent expenditure
25 if their cumulative value is (~~eight hundred dollars~~) one-half the
26 contribution limit from an individual per election or more.

27 ~~((27))~~ (b) "Independent expenditure" does not include: Ordinary
28 home hospitality; communications with journalists or editorial staff
29 designed to elicit a news item, feature, commentary, or editorial in
30 a regularly scheduled news medium that is of primary interest to the
31 general public, controlled by a person whose business is that news
32 medium, and not controlled by a candidate or a political committee;
33 participation in the creation of a publicly funded voters pamphlet
34 statement in written or video form; an internal political
35 communication primarily limited to contributors to a political party
36 organization or political action committee, the officers, management
37 staff, and stockholders of a corporation or similar enterprise, or
38 the members of a labor organization or other membership organization;
39 or the rendering of personal services of the sort commonly performed
40 by volunteer campaign workers or incidental expenses personally

1 incurred by volunteer campaign workers not in excess of two hundred
2 fifty dollars personally paid for by the worker.

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

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

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

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

14 ~~((+28))~~ (31) "Legislation" means bills, resolutions, motions,
15 amendments, nominations, and other matters pending or proposed in
16 either house of the state legislature, and includes any other matter
17 that may be the subject of action by either house or any committee of
18 the legislature and all bills and resolutions that, having passed
19 both houses, are pending approval by the governor.

20 ~~((+29))~~ (32) "Legislative office" means the office of a member
21 of the state house of representatives or the office of a member of
22 the state senate.

23 ~~((+30))~~ (33) "Lobby" and "lobbying" each mean attempting to
24 influence the passage or defeat of any legislation by the legislature
25 of the state of Washington, or the adoption or rejection of any rule,
26 standard, rate, or other legislative enactment of any state agency
27 under the state administrative procedure act, chapter 34.05 RCW.
28 Neither "lobby" nor "lobbying" includes an association's or other
29 organization's act of communicating with the members of that
30 association or organization.

31 ~~((+31))~~ (34) "Lobbyist" includes any person who lobbies either
32 in his or her own or another's behalf.

33 ~~((+32))~~ (35) "Lobbyist's employer" means the person or persons
34 by whom a lobbyist is employed and all persons by whom he or she is
35 compensated for acting as a lobbyist.

36 ~~((+33))~~ (36) "Ministerial functions" means an act or duty
37 carried out as part of the duties of an administrative office without
38 exercise of personal judgment or discretion.

39 ~~((+34))~~ (37) "Participate" means that, with respect to a
40 particular election, an entity:

1 (a) Makes either a monetary or in-kind contribution to a
2 candidate;

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

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

8 (d) Makes a recommendation regarding whether a candidate should
9 be supported or opposed before a contribution is made by a subsidiary
10 corporation or local unit with respect to that candidate or that
11 candidate's opponent; or

12 (e) Directly or indirectly collaborates or consults with a
13 subsidiary corporation or local unit on matters relating to the
14 support of or opposition to a candidate, including, but not limited
15 to, the amount of a contribution, when a contribution should be
16 given, and what assistance, services or independent expenditures, or
17 electioneering communications, if any, will be made or should be made
18 in support of or opposition to a candidate.

19 ~~((+35+))~~ (38) "Person" includes an individual, partnership, joint
20 venture, public or private corporation, association, federal, state,
21 or local governmental entity or agency however constituted,
22 candidate, committee, political committee, political party, executive
23 committee thereof, or any other organization or group of persons,
24 however organized.

25 ~~((+36+))~~ (39) "Political advertising" includes any advertising
26 displays, newspaper ads, billboards, signs, brochures, articles,
27 tabloids, flyers, letters, radio or television presentations, digital
28 communication, or other means of mass communication, used for the
29 purpose of appealing, directly or indirectly, for votes or for
30 financial or other support or opposition in any election campaign.

31 ~~((+37+))~~ (40) "Political committee" means any person (except a
32 candidate or an individual dealing with his or her own funds or
33 property) having the expectation of receiving contributions or making
34 expenditures in support of, or opposition to, any candidate or any
35 ballot proposition.

36 ~~((+38+))~~ (41) "Primary" for the purposes of RCW 42.17A.405 means
37 the procedure for nominating a candidate to state or local office
38 under chapter 29A.52 RCW or any other primary for an election that
39 uses, in large measure, the procedures established in chapter 29A.52
40 RCW.

1 (~~(39)~~) (42) "Public office" means any federal, state, judicial,
2 county, city, town, school district, port district, special district,
3 or other state political subdivision elective office.

4 (~~(40)~~) (43) "Public record" has the definition in RCW
5 42.56.010.

6 (~~(41)~~) (44) "Recall campaign" means the period of time
7 beginning on the date of the filing of recall charges under RCW
8 29A.56.120 and ending thirty days after the recall election.

9 (~~(42)~~) (45) "Remedial violation" means any violation of this
10 chapter that:

11 (a) Involved expenditures totaling no more than the contribution
12 limits set out under RCW 42.17A.405(2) per election, or one thousand
13 dollars if there is no statutory limit;

14 (b) Occurred:

15 (i) More than thirty days before an election, where the
16 commission entered into an agreement to resolve the matter; or

17 (ii) At any time where the violation did not constitute a
18 material violation because it was inadvertent and minor or otherwise
19 has been cured and, after consideration of all the circumstances,
20 further proceedings would not serve the purposes of this chapter;

21 (c) Does not materially affect the public interest, beyond the
22 harm to the policy of this chapter inherent in any violation; and

23 (d) Involved:

24 (i) A person who:

25 (A) Took corrective action within five business days after the
26 commission first notified the person of noncompliance, or where the
27 commission did not provide notice and filed a required report within
28 twenty-one days after the report was due to be filed; and

29 (B) Substantially met the filing deadline for all other required
30 reports within the immediately preceding twelve-month period; or

31 (ii) A candidate who:

32 (A) Lost the election in question; and

33 (B) Did not receive contributions over one hundred times the
34 contribution limit in aggregate per election during the campaign in
35 question.

36 (46)(a) "Sponsor" for purposes of an electioneering
37 communications, independent expenditures, or political advertising
38 means the person paying for the electioneering communication,
39 independent expenditure, or political advertising. If a person acts

1 as an agent for another or is reimbursed by another for the payment,
2 the original source of the payment is the sponsor.

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

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

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

12 (~~(43)~~) (47) "Sponsored committee" means a committee, other than
13 an authorized committee, that has one or more sponsors.

14 (~~(44)~~) (48) "State office" means state legislative office or
15 the office of governor, lieutenant governor, secretary of state,
16 attorney general, commissioner of public lands, insurance
17 commissioner, superintendent of public instruction, state auditor, or
18 state treasurer.

19 (~~(45)~~) (49) "State official" means a person who holds a state
20 office.

21 (~~(46)~~) (50) "Surplus funds" mean, in the case of a political
22 committee or candidate, the balance of contributions that remain in
23 the possession or control of that committee or candidate subsequent
24 to the election for which the contributions were received, and that
25 are in excess of the amount necessary to pay remaining debts incurred
26 by the committee or candidate with respect to that election. In the
27 case of a continuing political committee, "surplus funds" mean those
28 contributions remaining in the possession or control of the committee
29 that are in excess of the amount necessary to pay all remaining debts
30 when it makes its final report under RCW 42.17A.255.

31 (~~(47)~~) (51) "Technical correction" means a minor or ministerial
32 error in a required report that does not materially impact the public
33 interest and needs to be corrected for the report to be in full
34 compliance with the requirements of this chapter.

35 (52) "Treasurer" and "deputy treasurer" mean the individuals
36 appointed by a candidate or political committee, pursuant to RCW
37 42.17A.210, to perform the duties specified in that section.

38 **Sec. 3.** RCW 42.17A.055 and 2013 c 166 s 2 are each amended to
39 read as follows:

1 (1) The commission shall make available to candidates, public
2 officials, and political committees that are required to file reports
3 under this chapter an electronic filing alternative for submitting
4 financial affairs reports, contribution reports, and expenditure
5 reports.

6 (2) The commission shall make available to lobbyists and
7 lobbyists' employers required to file reports under RCW 42.17A.600,
8 42.17A.615, 42.17A.625, or 42.17A.630 an electronic filing
9 alternative for submitting these reports.

10 (3) State agencies required to report under RCW 42.17A.635 must
11 file all reports electronically.

12 (4) The commission shall make available to candidates, public
13 officials, political committees, lobbyists, and lobbyists' employers
14 an electronic copy of the appropriate reporting forms at no charge.

15 (5) If the electronic filing system provided by the commission is
16 inoperable for any period of time, the commission must keep a record
17 of the date and time of each instance and post outages on its web
18 site. If a report is due on a day the electronic filing system is
19 inoperable, it is not late if filed the first business day the system
20 is back in operation. The commission must provide notice to all
21 reporting entities when the system is back in operation.

22 (6) All persons required to file reports under this chapter
23 shall, at the time of initial filing, provide the commission an email
24 address that shall constitute the official address for purposes of
25 all communications from the commission. The person required to file
26 one or more reports must provide any new email address to the
27 commission within ten days, if the address has changed from that
28 listed on the most recent report. The executive director may waive
29 the email requirement and allow use of a postal address, on the basis
30 of hardship.

31 (7) The commission must publish a calendar of significant
32 reporting dates on its web site.

33 **Sec. 4.** RCW 42.17A.110 and 2015 c 225 s 55 are each amended to
34 read as follows:

35 The commission may:

36 (1) Adopt, amend, and rescind suitable administrative rules to
37 carry out the policies and purposes of this chapter, which rules
38 shall be adopted under chapter 34.05 RCW. Any rule relating to
39 campaign finance, political advertising, or related forms that would

1 otherwise take effect after June 30th of a general election year
2 shall take effect no earlier than the day following the general
3 election in that year;

4 (2) Appoint an executive director and set, within the limits
5 established by the office of financial management under RCW
6 43.03.028, the executive director's compensation. The executive
7 director shall perform such duties and have such powers as the
8 commission may prescribe and delegate to implement and enforce this
9 chapter efficiently and effectively. The commission shall not
10 delegate its authority to adopt, amend, or rescind rules nor may it
11 delegate authority to determine (~~whether~~) that an actual violation
12 of this chapter has occurred or to assess penalties for such
13 violations;

14 (3) Prepare and publish reports and technical studies as in its
15 judgment will tend to promote the purposes of this chapter, including
16 reports and statistics concerning campaign financing, lobbying,
17 financial interests of elected officials, and enforcement of this
18 chapter;

19 (4) Conduct, as it deems appropriate, audits and field
20 investigations;

21 (5) Make public the time and date of any formal hearing set to
22 determine whether a violation has occurred, the question or questions
23 to be considered, and the results thereof;

24 (6) Administer oaths and affirmations, issue subpoenas, and
25 compel attendance, take evidence, and require the production of any
26 records relevant to any investigation authorized under this chapter,
27 or any other proceeding under this chapter;

28 (7) Adopt a code of fair campaign practices;

29 (8) Adopt rules relieving candidates or political committees of
30 obligations to comply with the election campaign provisions of this
31 chapter, if they have not received contributions nor made
32 expenditures in connection with any election campaign of more than
33 five thousand dollars; and

34 (~~(9) (Adopt rules prescribing reasonable requirements for keeping
35 accounts of, and reporting on a quarterly basis, costs incurred by
36 state agencies, counties, cities, and other municipalities and
37 political subdivisions in preparing, publishing, and distributing
38 legislative information. For the purposes of this subsection,
39 "legislative information" means books, pamphlets, reports, and other
40 materials prepared, published, or distributed at substantial cost, a~~

1 ~~substantial purpose of which is to influence the passage or defeat of~~
2 ~~any legislation. The state auditor in his or her regular examination~~
3 ~~of each agency under chapter 43.09 RCW shall review the rules,~~
4 ~~accounts, and reports and make appropriate findings, comments, and~~
5 ~~recommendations concerning those agencies; and~~

6 ~~(10))~~ Develop and provide to filers a system for certification
7 of reports required under this chapter which are transmitted by
8 facsimile or electronically to the commission. Implementation of the
9 program is contingent on the availability of funds.

10 **Sec. 5.** RCW 42.17A.220 and 2010 c 205 s 3 and 2010 c 204 s 405
11 are each reenacted and amended to read as follows:

12 (1) All monetary contributions received by a candidate or
13 political committee shall be deposited by ~~((the treasurer or deputy~~
14 ~~treasurer))~~ candidates, political committee members, paid staff, or
15 treasurers in a depository in an account established and designated
16 for that purpose. Such deposits shall be made within five business
17 days of receipt of the contribution. For online or credit card
18 contributions, the contribution is considered received at the time
19 the transfer is made from the merchant account to a candidate or
20 political committee account, except that a contribution made to a
21 candidate who is a state official or legislator outside the
22 restriction period established in RCW 42.17A.560, but transferred to
23 the candidate's account within the restricted period, is considered
24 received outside of the restriction period.

25 (2) Political committees that support or oppose more than one
26 candidate or ballot proposition, or exist for more than one purpose,
27 may maintain multiple separate bank accounts within the same
28 designated depository for such purpose only if:

29 (a) Each such account bears the same name;

30 (b) Each such account is followed by an appropriate designation
31 that accurately identifies its separate purpose; and

32 (c) Transfers of funds that must be reported under RCW
33 ~~((42.17A.240(1)(e)))~~ 42.17A.240(5) are not made from more than one
34 such account.

35 (3) Nothing in this section prohibits a candidate or political
36 committee from investing funds on hand in a depository in bonds,
37 certificates, or tax-exempt securities, or in savings accounts or
38 other similar instruments in financial institutions, or in mutual
39 funds other than the depository but only if:

1 (a) The commission (~~are~~~~[is]~~) is notified in writing of the
2 initiation and the termination of the investment; and

3 (b) The principal of such investment, when terminated together
4 with all interest, dividends, and income derived from the investment,
5 is deposited in the depository in the account from which the
6 investment was made and properly reported to the commission before
7 any further disposition or expenditure.

8 (4) Accumulated unidentified contributions, other than those made
9 by persons whose names must be maintained on a separate and private
10 list by a political committee's treasurer pursuant to RCW
11 (~~42.17A.240(1)(b)~~) 42.17A.240(2), in excess of one percent of the
12 total accumulated contributions received in the current calendar
13 year, or three hundred dollars, whichever is more, may not be
14 deposited, used, or expended, but shall be returned to the donor if
15 his or her identity can be ascertained. If the donor cannot be
16 ascertained, the contribution shall escheat to the state and shall be
17 paid to the state treasurer for deposit in the state general fund.

18 **Sec. 6.** RCW 42.17A.225 and 2011 c 60 s 22 are each amended to
19 read as follows:

20 (1) In addition to the provisions of this section, a continuing
21 political committee shall file and report on the same conditions and
22 at the same times as any other committee in accordance with the
23 provisions of RCW 42.17A.205, 42.17A.210, and 42.17A.220.

24 (2) A continuing political committee shall file with the
25 commission a report on the tenth day of each month detailing
26 expenditures made and contributions received for the preceding
27 calendar month. This report need only be filed if either the total
28 contributions received or total expenditures made since the last such
29 report exceed two hundred dollars. The report shall be on a form
30 supplied by the commission and shall include the following
31 information:

32 (a) The information required by RCW 42.17A.240;

33 (b) Each expenditure made to retire previously accumulated debts
34 of the committee identified by recipient, amount, and date of
35 payments;

36 (c) Other information the commission shall prescribe by rule.

37 (3) If a continuing political committee makes a contribution in
38 support of or in opposition to a candidate or ballot proposition
39 within sixty days before the date that the candidate or ballot

1 proposition will be voted upon, the committee shall report pursuant
2 to RCW 42.17A.235.

3 (4)(a) A continuing political committee shall file reports as
4 required by this chapter until ~~((it is dissolved))~~ the committee has
5 ceased to function and intends to dissolve, at which time, when there
6 is no outstanding debt or obligation and the committee is concluded
7 in all respects, a final report shall be filed. Upon submitting a
8 final report, the continuing political committee must file notice of
9 intent to dissolve with the commission and the commission must post
10 the notice on its web site.

11 (b) The continuing political committee may dissolve sixty days
12 after it files its notice to dissolve, only if:

13 (i) The continuing political committee does not make any
14 expenditures other than those related to the dissolution process or
15 engage in any political activity or any other activities that
16 generate additional reporting requirements under this chapter after
17 filing such notice;

18 (ii) No complaint or court action, pursuant to this chapter, is
19 pending against the continuing political committee; and

20 (iii) All penalties assessed by the commission or court order are
21 paid by the continuing political committee.

22 (c) The continuing political committee must continue to report
23 regularly as required under this chapter until all the conditions
24 under (b) of this subsection are resolved.

25 (d) The treasurer may not close the continuing political
26 committee's bank account before the political committee has
27 dissolved.

28 (e) Upon dissolution, the commission must issue an acknowledgment
29 of dissolution, the duties of the treasurer shall cease, and there
30 shall be no further obligations ~~((to make any further reports))~~ under
31 this chapter. Dissolution does not absolve the candidate or board of
32 the committee from responsibility for any future obligations
33 resulting from the finding after dissolution of a violation committed
34 prior to dissolution.

35 (5) The treasurer shall maintain books of account, current within
36 five business days, that accurately reflect all contributions and
37 expenditures. During the ~~((eight))~~ ten calendar days immediately
38 preceding the date of any election that the committee has received
39 any contributions or made any expenditures, the books of account
40 shall be kept current within one business day and shall be open for

1 public inspection in the same manner as provided for candidates and
2 other political committees in RCW 42.17A.235(~~((4))~~) (6).

3 (6) All reports filed pursuant to this section shall be certified
4 as correct by the treasurer.

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

9 **Sec. 7.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to
10 read as follows:

11 (1) In addition to the information required under RCW 42.17A.205
12 and 42.17A.210, (~~(on the day the treasurer is designated,)~~) each
13 candidate or political committee must file with the commission a
14 report of all contributions received and expenditures made (~~(prior to~~
15 ~~that date, if any)~~) as a political committee on the next reporting
16 date pursuant to the timeline established in this section.

17 (2) Each treasurer shall file with the commission a report, for
18 each election in which a candidate or political committee is
19 participating, containing the information required by RCW 42.17A.240
20 at the following intervals:

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

23 (b) On the tenth day of the first full month after the
24 election(~~(; and)~~).

25 (~~((c))~~) (3) Each treasurer shall file with the commission a
26 report on the tenth day of each month ((in)) during which ((no other
27 ~~reports are required to be filed under this section))~~ the candidate
28 or political committee is not participating in an election campaign,
29 only if the committee has received a contribution or made an
30 expenditure in the preceding calendar month and either the total
31 contributions received or total expenditures made since the last such
32 report exceed two hundred dollars.

33 (4) The report filed twenty-one days before the election shall
34 report all contributions received and expenditures made as of the end
35 of one business day before the date of the report. The report filed
36 seven days before the election shall report all contributions
37 received and expenditures made as of the end of one business day
38 before the date of the report. Reports filed on the tenth day of the
39 month shall report all contributions received and expenditures made

1 from the closing date of the last report filed through the last day
2 of the month preceding the date of the current report.

3 ~~((3))~~ (5) For the period beginning the first day of the fourth
4 month preceding the date of the special election, or for the period
5 beginning the first day of the fifth month before the date of the
6 general election, and ending on the date of that special or general
7 election, each Monday the treasurer shall file with the commission a
8 report of each bank deposit made during the previous seven calendar
9 days. The report shall contain the name of each person contributing
10 the funds and the amount contributed by each person. However, persons
11 who contribute no more than twenty-five dollars in the aggregate are
12 not required to be identified in the report. A copy of the report
13 shall be retained by the treasurer for his or her records. In the
14 event of deposits made by ~~((a deputy treasurer))~~ candidates,
15 political committee members, or paid staff other than the treasurer,
16 the copy shall be ~~((forwarded))~~ immediately provided to the treasurer
17 for his or her records. Each report shall be certified as correct by
18 the treasurer ~~((or deputy treasurer making the deposit))~~.

19 ~~((4))~~ (6)(a) The treasurer or candidate shall maintain books of
20 account accurately reflecting all contributions and expenditures on a
21 current basis within five business days of receipt or expenditure.
22 During the ~~((eight))~~ ten calendar days immediately preceding the date
23 of the election the books of account shall be kept current within one
24 business day. As specified in the committee's statement of
25 organization filed under RCW 42.17A.205, the books of account must be
26 open for public inspection by appointment at ~~((the designated))~~ a
27 place agreed upon by both the treasurer and the requestor, for
28 inspections between ~~((8:00))~~ 9:00 a.m. and ~~((8:00))~~ 5:00 p.m. on any
29 day from the ~~((eighth))~~ tenth calendar day immediately before the
30 election through the day immediately before the election, other than
31 Saturday, Sunday, or a legal holiday. It is a violation of this
32 chapter for a candidate or political committee to refuse to allow and
33 keep an appointment for an inspection to be conducted during these
34 authorized times and days. The appointment must be allowed at an
35 authorized time and day for such inspections that is within ~~((twenty-~~
36 ~~four))~~ forty-eight hours of the time and day that is requested for
37 the inspection. The treasurer may provide digital access or copies of
38 the books of account in lieu of scheduling an appointment at a
39 designated place for inspection.

1 (b) At the time of making the appointment, a person wishing to
2 inspect the books of account must provide the treasurer the name and
3 telephone number of the person wishing to inspect the books of
4 account. The person inspecting the books of account must show photo
5 identification before the inspection begins.

6 (c) A treasurer may refuse to show the books of account to any
7 person who does not make an appointment or provide the required
8 identification. The commission may issue limited rules to modify the
9 requirements set forth in this section in consideration of other
10 technology and best practices.

11 ~~((+5))~~ (7) Copies of all reports filed pursuant to this section
12 shall be readily available for public inspection by appointment,
13 pursuant to subsection ~~((+4))~~ (6) of this section ~~((, at the~~
14 ~~principal headquarters or, if there is no headquarters, at the~~
15 ~~address of the treasurer or such other place as may be authorized by~~
16 ~~the commission))~~.

17 ~~((+6))~~ (8) The treasurer or candidate shall preserve books of
18 account, bills, receipts, and all other financial records of the
19 campaign or political committee for not less than ~~((five))~~ two
20 calendar years following the year during which the transaction
21 occurred or for any longer period as otherwise required by law.

22 ~~((+7))~~ (9) All reports filed pursuant to subsection (1) or (2)
23 of this section shall be certified as correct by the candidate and
24 the treasurer.

25 ~~((+8))~~ (10) It is not a violation of this section to submit an
26 amended report within twenty-one days of filing an underlying report
27 if:

28 (a) The report is accurately amended;

29 (b) The corrected report is filed more than thirty days before an
30 election;

31 (c) The total aggregate dollar amount of the adjustment for the
32 individual report is within three times the contribution limit per
33 election or two hundred dollars, whichever is greater; and

34 (d) The committee reported all information that was available to
35 it at the time of filing, or made a good-faith effort to do so, or if
36 a refund of a contribution or expenditure is being reported.

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

1 dissolve, the treasurer shall file a final report. Upon submitting a
2 final report, the committee must file notice of intent to dissolve
3 with the commission and the commission must post the notice on its
4 web site.

5 (b) Any committee may dissolve sixty days after it files its
6 notice to dissolve, only if:

7 (i) The political committee does not make any expenditures other
8 than those related to the dissolution process or engage in any
9 political activity or any other activities that generate additional
10 reporting requirements under this chapter after filing such notice;

11 (ii) No complaint or court action under this chapter is pending
12 against the political committee; and

13 (iii) All penalties assessed by the commission or court order are
14 paid by the political committee.

15 (c) The political committee must continue to report regularly as
16 required under this chapter until all the conditions under (b) of
17 this subsection are resolved.

18 (d) The treasurer may not close the political committee's bank
19 account before the political committee has dissolved.

20 (e) Upon dissolution, the commission must issue an acknowledgment
21 of dissolution, the duties of the treasurer shall cease, and there
22 ((is)) shall be no further obligations ((to make any further
23 reports)) under this chapter. Dissolution does not absolve the
24 candidate or board of the committee from responsibility for any
25 future obligations resulting from the finding after dissolution of a
26 violation committed prior to dissolution.

27 **Sec. 8.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
28 read as follows:

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

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

33 (2) The name and address of each person who has made one or more
34 contributions during the period, together with the money value and
35 date of each contribution and the aggregate value of all
36 contributions received from each person during the campaign, or in
37 the case of a continuing political committee, the current calendar
38 year, with the following exceptions:

1 (a) (~~Pledges in the aggregate of less than one hundred dollars~~
2 ~~from any one person need not be reported;~~
3 ~~(b)~~) Income that results from a fund-raising activity conducted
4 in accordance with RCW 42.17A.230 may be reported as one lump sum,
5 with the exception of that portion received from persons whose names
6 and addresses are required to be included in the report required by
7 RCW 42.17A.230;

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

13 (~~(d)~~) (c) The money value of contributions of postage shall be
14 the face value of the postage;

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

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

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

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

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

34 (8) (a) The name and address of any person and the amount owed for
35 any debt (~~, obligation, note, unpaid loan, or other liability in the~~
36 ~~amount~~) with a value of more than (~~two~~) seven hundred fifty
37 dollars (~~(or in the amount of more than fifty dollars that has been~~
38 ~~outstanding for over thirty days)~~) that has not been paid for any
39 invoices submitted, goods received, or services performed, within

1 five business days during the period within thirty days before an
2 election, or within ten business days during any other period.

3 (b) For purposes of this subsection, debt does not include:

4 (i) Regularly recurring expenditures of the same amount that have
5 already been reported at least once and that are not late or
6 outstanding; or

7 (ii) Any obligations already reported to pay for goods and
8 services made by a third party on behalf of a candidate or political
9 committee after the original payment or debt to that party has been
10 reported;

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

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

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

16 **Sec. 9.** RCW 42.17A.255 and 2011 c 60 s 24 are each amended to
17 read as follows:

18 ~~(1) ((For the purposes of this section the term "independent~~
19 ~~expenditure" means any expenditure that is made in support of or in~~
20 ~~opposition to any candidate or ballot proposition and is not~~
21 ~~otherwise required to be reported pursuant to RCW 42.17A.220,~~
22 ~~42.17A.235, and 42.17A.240. "Independent expenditure" does not~~
23 ~~include: An internal political communication primarily limited to the~~
24 ~~contributors to a political party organization or political action~~
25 ~~committee, or the officers, management staff, and stockholders of a~~
26 ~~corporation or similar enterprise, or the members of a labor~~
27 ~~organization or other membership organization; or the rendering of~~
28 ~~personal services of the sort commonly performed by volunteer~~
29 ~~campaign workers, or incidental expenses personally incurred by~~
30 ~~volunteer campaign workers not in excess of fifty dollars personally~~
31 ~~paid for by the worker. "Volunteer services," for the purposes of~~
32 ~~this section, means services or labor for which the individual is not~~
33 ~~compensated by any person.~~

34 ~~(2))~~ Within five days after the date of making an independent
35 expenditure that by itself or when added to all other such
36 independent expenditures made during the same election campaign by
37 the same person equals ~~((one hundred dollars or more))~~ the
38 contribution limit from an individual per election found in RCW
39 42.17A.405 for that office, or within five days after the date of

1 making an independent expenditure for which no reasonable estimate of
2 monetary value is practicable, whichever occurs first, the person who
3 made the independent expenditure shall file with the commission an
4 initial report of all independent expenditures made during the
5 campaign prior to and including such date. For purposes of this
6 section, in addition to the meaning of "independent expenditure"
7 under RCW 42.17A.005, any expenditure in excess of one-half the
8 contribution limit per election for a local measure or in excess of
9 the contribution limit per election for a statewide measure in
10 support of or opposition to a ballot measure, must be reported as an
11 in-kind contribution to a political committee associated with support
12 or opposition to that ballot measure or, in the event no such
13 committee exists, reported as an independent expenditure.

14 ~~((3))~~ (2) At the following intervals each person who is
15 required to file an initial report pursuant to subsection ~~((2))~~ (1)
16 of this section shall file with the commission a further report of
17 the independent expenditures made since the date of the last report:

18 (a) On the twenty-first day and the seventh day preceding the
19 date on which the election is held; and

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

21 (c) On the tenth day of each month in which no other reports are
22 required to be filed pursuant to this section. However, the further
23 reports required by this subsection ~~((3))~~ (2) shall only be filed
24 if the reporting person has made an independent expenditure since the
25 date of the last previous report filed.

26 ~~((The report filed pursuant to paragraph (a) of this subsection~~
27 ~~(3) shall be the final report, and upon submitting such final report~~
28 ~~the duties of the reporting person shall cease, and))~~ If the
29 reporting person has not made any independent expenditures since the
30 date of the last report on file, there shall be no obligation to make
31 any further reports.

32 ~~((4))~~ (3) All reports filed pursuant to this section shall be
33 certified as correct by the reporting person.

34 ~~((5))~~ (4) Each report required by subsections ~~((2))~~ (1) and
35 ~~((3))~~ (2) of this section shall disclose for the period beginning
36 at the end of the period for the last previous report filed or, in
37 the case of an initial report, beginning at the time of the first
38 independent expenditure, and ending not more than one business day
39 before the date the report is due:

40 (a) The name and address of the person filing the report;

1 (b) The name and address of each person to whom an independent
2 expenditure was made in the aggregate amount of more than fifty
3 dollars, and the amount, date, and purpose of each such expenditure.
4 If no reasonable estimate of the monetary value of a particular
5 independent expenditure is practicable, it is sufficient to report
6 instead a precise description of services, property, or rights
7 furnished through the expenditure and where appropriate to attach a
8 copy of the item produced or distributed by the expenditure;

9 (c) The total sum of all independent expenditures made during the
10 campaign to date; and

11 (d) Such other information as shall be required by the commission
12 by rule in conformance with the policies and purposes of this
13 chapter.

14 **Sec. 10.** RCW 42.17A.265 and 2010 c 204 s 414 are each amended to
15 read as follows:

16 (1) Treasurers shall prepare and deliver to the commission a
17 special report when a contribution or aggregate of contributions
18 (~~((totals one thousand dollars or more, is))~~) exceeds three times the
19 contribution limit per election from a single person or entity, and
20 is received during a special reporting period.

21 (2) A political committee treasurer shall prepare and deliver to
22 the commission a special report when (~~((it))~~) the political committee
23 makes a contribution or an aggregate of contributions to a single
24 entity that (~~((totals one thousand dollars or more))~~) exceeds three
25 times the contribution limit from an individual per election during a
26 special reporting period.

27 (3) An aggregate of contributions includes only those
28 contributions made to or received from a single entity during any one
29 special reporting period. Any subsequent contribution of any size
30 made to or received from the same person or entity during the special
31 reporting period must also be reported.

32 (4) Special reporting periods, for purposes of this section,
33 include:

34 (a) The period beginning on the day after the last report
35 required by RCW 42.17A.235 and 42.17A.240 to be filed before a
36 primary and concluding on the end of the day before that primary;

37 (b) The period twenty-one days preceding a general election; and

38 (c) An aggregate of contributions includes only those
39 contributions received from a single entity during any one special

1 reporting period or made by the contributing political committee to a
2 single entity during any one special reporting period.

3 (5) If a campaign treasurer files a special report under this
4 section for one or more contributions received from a single entity
5 during a special reporting period, the treasurer shall also file a
6 special report under this section for each subsequent contribution of
7 any size which is received from that entity during the special
8 reporting period. If a political committee files a special report
9 under this section for a contribution or contributions made to a
10 single entity during a special reporting period, the political
11 committee shall also file a special report for each subsequent
12 contribution of any size which is made to that entity during the
13 special reporting period.

14 (6) Special reports required by this section shall be delivered
15 electronically or in written form(~~(, including but not limited to~~
16 ~~mailgram, telegram, or nightletter)~~). The special report may be
17 transmitted orally by telephone to the commission if the written form
18 of the report is postmarked and mailed to the commission or the
19 electronic filing is transferred to the commission within the
20 delivery periods established in (a) and (b) of this subsection.

21 (a) The special report required of a contribution recipient under
22 subsection (1) of this section shall be delivered to the commission
23 within forty-eight hours of the time, or on the first working day
24 after: The qualifying contribution (~~(of one thousand dollars or~~
25 ~~more)~~) amount is received by the candidate or treasurer; the
26 aggregate received by the candidate or treasurer first equals (~~(one~~
27 ~~thousand dollars)~~) the qualifying amount or more; or any subsequent
28 contribution from the same source is received by the candidate or
29 treasurer.

30 (b) The special report required of a contributor under subsection
31 (2) of this section or RCW 42.17A.625 shall be delivered to the
32 commission, and the candidate or political committee to whom the
33 contribution or contributions are made, within twenty-four hours of
34 the time, or on the first working day after: The contribution is
35 made; the aggregate of contributions made first equals (~~(one thousand~~
36 ~~dollars)~~) the qualifying amount or more; or any subsequent
37 contribution to the same person or entity is made.

38 (7) The special report shall include:

39 (a) The amount of the contribution or contributions;

40 (b) The date or dates of receipt;

- 1 (c) The name and address of the donor;
2 (d) The name and address of the recipient; and
3 (e) Any other information the commission may by rule require.

4 (8) Contributions reported under this section shall also be
5 reported as required by other provisions of this chapter.

6 (9) The commission shall (~~prepare daily a summary of~~) make the
7 special reports made under this section and RCW 42.17A.625 available
8 on its web site within one business day.

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

13 **Sec. 11.** RCW 42.17A.450 and 1993 c 2 s 5 are each amended to
14 read as follows:

15 (1) Contributions by (~~a husband and wife~~) spouses are
16 considered separate contributions.

17 (2) Contributions by unemancipated children under eighteen years
18 of age are considered contributions by their parents and are
19 attributed proportionately to each parent. Fifty percent of the
20 contributions are attributed to each parent or, in the case of a
21 single custodial parent, the total amount is attributed to the
22 parent.

23 **Sec. 12.** RCW 42.17A.750 and 2013 c 166 s 1 are each amended to
24 read as follows:

25 (1) In addition to the penalties in subsection (2) of this
26 section, and any other remedies provided by law, one or more of the
27 following civil remedies and sanctions may be imposed by court order
28 in addition to any other remedies provided by law:

29 (a) If the court finds that the violation of any provision of
30 this chapter by any candidate or political committee probably
31 affected the outcome of any election, the result of that election may
32 be held void and a special election held within sixty days of the
33 finding. Any action to void an election shall be commenced within one
34 year of the date of the election in question. It is intended that
35 this remedy be imposed freely in all appropriate cases to protect the
36 right of the electorate to an informed and knowledgeable vote.

37 (b) If any lobbyist or sponsor of any grass roots lobbying
38 campaign violates any of the provisions of this chapter, his or her

1 registration may be revoked or suspended and he or she may be
2 enjoined from receiving compensation or making expenditures for
3 lobbying. The imposition of a sanction shall not excuse the lobbyist
4 from filing statements and reports required by this chapter.

5 (c) A person who violates any of the provisions of this chapter
6 may be subject to a civil penalty of not more than ten thousand
7 dollars for each violation. However, a person or entity who violates
8 RCW 42.17A.405 may be subject to a civil penalty of ten thousand
9 dollars or three times the amount of the contribution illegally made
10 or accepted, whichever is greater.

11 (d) When assessing a civil penalty, the court may consider the
12 nature of the violation and any relevant circumstances, including the
13 following factors:

14 (i) The respondent's compliance history, including whether the
15 noncompliance was isolated or limited in nature, indicative of
16 systematic or ongoing problems, or part of a pattern of violations by
17 the respondent, resulted from a knowing or intentional effort to
18 conceal, deceive or mislead, or from collusive behavior, or in the
19 case of a political committee or other entity, part of a pattern of
20 violations by the respondent's officers, staff, principal decision
21 makers, consultants, or sponsoring organization;

22 (ii) The impact on the public, including whether the
23 noncompliance deprived the public of timely or accurate information
24 during a time-sensitive period or otherwise had a significant or
25 material impact on the public;

26 (iii) Experience with campaign finance law and procedures or the
27 financing, staffing, or size of the respondent's campaign or
28 organization;

29 (iv) The amount of financial activity by the respondent during
30 the statement period or election cycle;

31 (v) Whether the late or unreported activity was within three
32 times the contribution limit per election, including in proportion to
33 the total amount of expenditures by the respondent in the campaign or
34 statement period;

35 (vi) Whether the respondent or any person benefited politically
36 or economically from the noncompliance;

37 (vii) Whether there was a personal emergency or illness of the
38 respondent or member of his or her immediate family;

39 (viii) Whether other emergencies such as fire, flood, or utility
40 failure prevented filing;

1 (ix) Whether there was commission staff or equipment error,
2 including technical problems at the commission that prevented or
3 delayed electronic filing;

4 (x) The respondent's demonstrated good-faith uncertainty
5 concerning commission staff guidance or instructions;

6 (xi) Whether the respondent is a first-time filer;

7 (xii) Good faith efforts to comply, including consultation with
8 commission staff prior to initiation of enforcement action and
9 cooperation with commission staff during enforcement action and a
10 demonstrated wish to acknowledge and take responsibility for the
11 violation;

12 (xiii) Penalties imposed in factually similar cases; and

13 (xiv) Other factors relevant to the particular case.

14 (e) A person who fails to file a properly completed statement or
15 report within the time required by this chapter may be subject to a
16 civil penalty of ten dollars per day for each day each delinquency
17 continues.

18 ~~((e))~~ (f) Each state agency director who knowingly fails to
19 file statements required by RCW 42.17A.635 shall be subject to
20 personal liability in the form of a civil penalty in the amount of
21 one hundred dollars per statement. These penalties are in addition to
22 any other civil remedies or sanctions imposed on the agency.

23 ~~((f))~~ (g) A person who fails to report a contribution or
24 expenditure as required by this chapter may be subject to a civil
25 penalty equivalent to the amount not reported as required.

26 ~~((g))~~ (h) Any state agency official, officer, or employee who
27 is responsible for or knowingly directs or expends public funds in
28 violation of RCW 42.17A.635 (2) or (3) may be subject to personal
29 liability in the form of a civil penalty in an amount that is at
30 least equivalent to the amount of public funds expended in the
31 violation.

32 ~~((h))~~ (i) The court may enjoin any person to prevent the doing
33 of any act herein prohibited, or to compel the performance of any act
34 required herein.

35 (2) The commission may refer the following violations for
36 criminal prosecution:

37 (a) A person who, with actual malice, violates a provision of
38 this chapter is guilty of a misdemeanor under chapter 9.92 RCW;

1 (b) A person who, within a five-year period, with actual malice,
2 violates three or more provisions of this chapter is guilty of a
3 gross misdemeanor under chapter 9.92 RCW; and

4 (c) A person who, with actual malice, procures or offers any
5 false or forged document to be filed, registered, or recorded with
6 the commission under this chapter is guilty of a class C felony under
7 chapter 9.94A RCW.

8 **Sec. 13.** RCW 42.17A.755 and 2011 c 145 s 7 are each amended to
9 read as follows:

10 (1) The commission may (~~((a) determine whether an actual~~
11 ~~violation of this chapter has occurred; and (b) issue and enforce an~~
12 ~~appropriate order following such a determination.)) initiate or
13 respond to a complaint, request a technical correction, or otherwise
14 resolve matters of compliance with this chapter, in accordance with
15 this section. If a complaint is filed with or initiated by the
16 commission, the commission must:~~

17 (a) Dismiss the complaint or otherwise resolve the matter in
18 accordance with subsection (2) of this section, as appropriate under
19 the circumstances after conducting a preliminary review;

20 (b) Initiate an investigation to determine whether an actual
21 violation has occurred, conduct hearings, and issue and enforce an
22 appropriate order, in accordance with chapter 34.05 RCW and
23 subsection (3) of this section; or

24 (c) Refer the matter to the attorney general, in accordance with
25 subsection (4) of this section.

26 (2) (~~The commission~~) (a) For complaints of remedial violations
27 or requests for technical corrections, the commission may, by rule,
28 delegate authority to its executive director to resolve these matters
29 in accordance with subsection (1)(a) of this section, provided the
30 executive director consistently applies such authority.

31 (b) The commission shall, by rule, develop additional processes
32 by which a respondent may agree by stipulation to any allegations and
33 pay a penalty subject to a schedule of violations and penalties,
34 unless waived by the commission as provided for in this section. Any
35 stipulation must be referred to the commission for review. If
36 approved or modified by the commission, agreed to by the parties, and
37 the respondent complies with all requirements set forth in the
38 stipulation, the matter is then considered resolved and no further
39 action or review is allowed.

1 (3) If the commission initiates an investigation, an initial
2 hearing must be held within ninety days of the complaint being filed.
3 Following an investigation, in cases where it chooses to determine
4 whether an actual violation has occurred, the commission shall hold a
5 hearing pursuant to the administrative procedure act, chapter 34.05
6 RCW(, to make a determination)). Any order that the commission
7 issues under this section shall be pursuant to such a hearing.

8 ~~((3) In lieu of holding a hearing or issuing an order under this~~
9 ~~section,))~~ (a) The person against whom an order is directed under
10 this section shall be designated as the respondent. The order may
11 require the respondent to cease and desist from the activity that
12 constitutes a violation and in addition, or alternatively, may impose
13 one or more of the remedies provided in RCW 42.17A.750(1) (b) through
14 (h), or other requirements as the commission determines appropriate
15 to effectuate the purposes of this chapter.

16 (b) The commission may assess a penalty in an amount not to
17 exceed ten thousand dollars per violation, unless the parties
18 stipulate otherwise. Any order that the commission issues under this
19 section that imposes a financial penalty must be made pursuant to a
20 hearing, held in accordance with the administrative procedure act,
21 chapter 34.05 RCW.

22 (c) The commission has the authority to waive a penalty for a
23 first-time actual violation. A second actual violation of the same
24 requirement by the same person, regardless if the person or
25 individual committed the actual violation for a different political
26 committee, shall result in a penalty. Successive actual violations of
27 the same requirement shall result in successively increased
28 penalties. The commission may suspend any portion of an assessed
29 penalty contingent on future compliance with this chapter. The
30 commission must create a schedule to enhance penalties based on
31 repeat actual violations by the person.

32 (d) Any order issued by the commission is subject to judicial
33 review under the administrative procedure act, chapter 34.05 RCW. If
34 the commission's order is not satisfied and no petition for review is
35 filed within thirty days, the commission may petition a court of
36 competent jurisdiction of any county in which a petition for review
37 could be filed under that jurisdiction, for an order of enforcement.
38 Proceedings in connection with the commission's petition shall be in
39 accordance with RCW 42.17A.760.

1 (4) In lieu of holding a hearing or issuing an order under this
2 section, the commission may refer the matter to the attorney general
3 ((or other enforcement agency as provided in RCW 42.17A.105))
4 consistent with this section, when the commission believes:

5 (a) Additional authority is needed to ensure full compliance with
6 this chapter;

7 (b) An actual violation potentially warrants a penalty greater
8 than the commission's penalty authority; or

9 (c) The maximum penalty the commission is able to levy is not
10 enough to address the severity of the violation.

11 ~~((4) The person against whom an order is directed under this~~
12 ~~section shall be designated as the respondent. The order may require~~
13 ~~the respondent to cease and desist from the activity that constitutes~~
14 ~~a violation and in addition, or alternatively, may impose one or more~~
15 ~~of the remedies provided in RCW 42.17A.750(1) (b) through (e). The~~
16 ~~commission may assess a penalty in an amount not to exceed ten~~
17 ~~thousand dollars.~~

18 ~~(5) The commission has the authority to waive a fine for a first-~~
19 ~~time violation. A second violation of the same rule by the same~~
20 ~~person or individual, regardless if the person or individual~~
21 ~~committed the violation for a different political committee, shall~~
22 ~~result in a fine. Succeeding violations of the same rule shall result~~
23 ~~in successively increased fines.~~

24 ~~(6) An order issued by the commission under this section shall be~~
25 ~~subject to judicial review under the administrative procedure act,~~
26 ~~chapter 34.05 RCW. If the commission's order is not satisfied and no~~
27 ~~petition for review is filed within thirty days, the commission may~~
28 ~~petition a court of competent jurisdiction of any county in which a~~
29 ~~petition for review could be filed under that section, for an order~~
30 ~~of enforcement. Proceedings in connection with the commission's~~
31 ~~petition shall be in accordance with RCW 42.17A.760.)~~

32 **Sec. 14.** RCW 42.17A.765 and 2010 c 204 s 1004 are each amended
33 to read as follows:

34 (1)(a) Only after a matter is referred by the commission, under
35 RCW 42.17A.755, the attorney general ((and the prosecuting
36 authorities of political subdivisions of this state)) may bring civil
37 actions in the name of the state for any appropriate civil remedy,
38 including but not limited to the special remedies provided in RCW
39 42.17A.750. The attorney general must provide notice of his or her

1 decision whether to commence an action on the attorney general's
2 office web site within forty-five days of receiving the referral,
3 which constitutes state action for purposes of this chapter.

4 (b) The attorney general should use the enforcement powers in
5 this section in a consistent manner that provides guidance in
6 complying with the provisions of this chapter to candidates,
7 political committees, or other individuals subject to the regulations
8 of this chapter.

9 (2) The attorney general (~~(and the prosecuting authorities of~~
10 ~~political subdivisions of this state))~~) may investigate or cause to be
11 investigated the activities of any person who there is reason to
12 believe is or has been acting in violation of this chapter, and may
13 require any such person or any other person reasonably believed to
14 have information concerning the activities of such person to appear
15 at a time and place designated in the county in which such person
16 resides or is found, to give such information under oath and to
17 produce all accounts, bills, receipts, books, paper and documents
18 which may be relevant or material to any investigation authorized
19 under this chapter.

20 (3) When the attorney general (~~(or the prosecuting authority of~~
21 ~~any political subdivision of this state))~~) requires the attendance of
22 any person to obtain such information or produce the accounts, bills,
23 receipts, books, papers, and documents that may be relevant or
24 material to any investigation authorized under this chapter, he or
25 she shall issue an order setting forth the time when and the place
26 where attendance is required and shall cause the same to be delivered
27 to or sent by registered mail to the person at least fourteen days
28 before the date fixed for attendance. The order shall have the same
29 force and effect as a subpoena, shall be effective statewide, and,
30 upon application of the attorney general (~~(or the prosecuting~~
31 ~~authority))~~), obedience to the order may be enforced by any superior
32 court judge in the county where the person receiving it resides or is
33 found, in the same manner as though the order were a subpoena. The
34 court, after hearing, for good cause, and upon application of any
35 person aggrieved by the order, shall have the right to alter, amend,
36 revise, suspend, or postpone all or any part of its provisions. In
37 any case where the order is not enforced by the court according to
38 its terms, the reasons for the court's actions shall be clearly
39 stated in writing, and the action shall be subject to review by the
40 appellate courts by certiorari or other appropriate proceeding.

1 ~~((4) A person who has notified the attorney general and the~~
2 ~~prosecuting attorney in the county in which the violation occurred in~~
3 ~~writing that there is reason to believe that some provision of this~~
4 ~~chapter is being or has been violated may himself or herself bring in~~
5 ~~the name of the state any of the actions (hereinafter referred to as~~
6 ~~a citizen's action) authorized under this chapter.~~

7 ~~(a) This citizen action may be brought only if:~~

8 ~~(i) The attorney general and the prosecuting attorney have failed~~
9 ~~to commence an action hereunder within forty five days after the~~
10 ~~notice;~~

11 ~~(ii) The person has thereafter further notified the attorney~~
12 ~~general and prosecuting attorney that the person will commence a~~
13 ~~citizen's action within ten days upon their failure to do so;~~

14 ~~(iii) The attorney general and the prosecuting attorney have in~~
15 ~~fact failed to bring such action within ten days of receipt of said~~
16 ~~second notice; and~~

17 ~~(iv) The citizen's action is filed within two years after the~~
18 ~~date when the alleged violation occurred.~~

19 ~~(b) If the person who brings the citizen's action prevails, the~~
20 ~~judgment awarded shall escheat to the state, but he or she shall be~~
21 ~~entitled to be reimbursed by the state of Washington for costs and~~
22 ~~attorneys' fees he or she has incurred. In the case of a citizen's~~
23 ~~action that is dismissed and that the court also finds was brought~~
24 ~~without reasonable cause, the court may order the person commencing~~
25 ~~the action to pay all costs of trial and reasonable attorneys' fees~~
26 ~~incurred by the defendant.~~

27 ~~(5) In any action brought under this section, the court may award~~
28 ~~to the state all costs of investigation and trial, including~~
29 ~~reasonable attorneys' fees to be fixed by the court. If the violation~~
30 ~~is found to have been intentional, the amount of the judgment, which~~
31 ~~shall for this purpose include the costs, may be trebled as punitive~~
32 ~~damages. If damages or trebled damages are awarded in such an action~~
33 ~~brought against a lobbyist, the judgment may be awarded against the~~
34 ~~lobbyist, and the lobbyist's employer or employers joined as~~
35 ~~defendants, jointly, severally, or both. If the defendant prevails,~~
36 ~~he or she shall be awarded all costs of trial, and may be awarded~~
37 ~~reasonable attorneys' fees to be fixed by the court to be paid by the~~
38 ~~state of Washington.))~~

1 **Sec. 15.** RCW 42.17A.770 and 2011 c 60 s 26 are each amended to
2 read as follows:

3 Except as provided in ((~~RCW 42.17A.765(4)(a)(iv)~~)) section 16(4)
4 of this act, any action brought under the provisions of this chapter
5 must be commenced within five years after the date when the violation
6 occurred.

7 NEW SECTION. **Sec. 16.** A new section is added to chapter 42.17A
8 RCW to read as follows:

9 (1) A person who has reason to believe that a provision of this
10 chapter is being or has been violated may bring a citizen's action in
11 the name of the state, in accordance with the procedures of this
12 section.

13 (2) A citizen's action may be brought and prosecuted only if the
14 person first has filed a complaint with the commission and:

15 (a) The commission has not taken action authorized under RCW
16 42.17A.755(1) within ninety days of the complaint being filed with
17 the commission; and

18 (b) For matters referred to the attorney general within ninety
19 days of the commission receiving the complaint, the attorney general
20 has not commenced an action within forty-five days of receiving
21 referral from the commission.

22 (3) To initiate the citizen's action, after meeting the
23 requirements under subsection (2) of this section, a person must
24 notify the attorney general and the commission that he or she will
25 commence a citizen's action within ten days if the commission does
26 not take action or, if applicable, the attorney general does not
27 commence an action.

28 (4) The citizen's action must be commenced within two years after
29 the date when the alleged violation occurred and may not be commenced
30 against a committee before the end of such period if the committee
31 has received an acknowledgment of dissolution.

32 (5) If the person who brings the citizen's action prevails, the
33 judgment awarded shall escheat to the state, but he or she shall be
34 entitled to be reimbursed by the state for reasonable costs and
35 reasonable attorneys' fees the person incurred. In the case of a
36 citizen's action that is dismissed and that the court also finds was
37 brought without reasonable cause, the court may order the person
38 commencing the action to pay all trial costs and reasonable
39 attorneys' fees incurred by the defendant.

1 NEW SECTION. **Sec. 17.** A new section is added to chapter 42.17A
2 RCW to read as follows:

3 In any action brought under this chapter, the court may award to
4 the commission all reasonable costs of investigation and trial,
5 including reasonable attorneys' fees to be fixed by the court. If the
6 violation is found to have been intentional, the amount of the
7 judgment, which shall for this purpose include the costs, may be
8 trebled as punitive damages. If damages or trebled damages are
9 awarded in such an action brought against a lobbyist, the judgment
10 may be awarded against the lobbyist, and the lobbyist's employer or
11 employers joined as defendants, jointly, severally, or both. If the
12 defendant prevails, he or she shall be awarded all costs of trial and
13 may be awarded reasonable attorneys' fees to be fixed by the court
14 and paid by the state of Washington.

15 NEW SECTION. **Sec. 18.** A new section is added to chapter 42.17A
16 RCW to read as follows:

17 The public disclosure transparency account is created in the
18 state treasury. All receipts from penalties collected pursuant to
19 enforcement actions or settlements under this chapter, including any
20 fees or costs, must be deposited into the account. Moneys in the
21 account may be spent only after appropriation. Moneys in the account
22 may be used only for the implementation of this act and duties under
23 this chapter, and may not be used to supplant general fund
24 appropriations to the commission.

25 NEW SECTION. **Sec. 19.** (1) The sum of one hundred twenty-five
26 thousand dollars is appropriated for the fiscal year ending June 30,
27 2018, from the general fund—state account to the public disclosure
28 commission solely for the purposes of administering chapter 42.17A
29 RCW.

30 (2) The sum of one hundred twenty-five thousand dollars is
31 appropriated for the fiscal year ending June 30, 2019, from the
32 general fund—state account to the public disclosure commission solely
33 for the purposes of administering chapter 42.17A RCW.

34 NEW SECTION. **Sec. 20.** 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."

ADOPTED AND ENGROSSED 2/27/18

1 On page 1, line 2 of the title, after "reporting;" strike the
2 remainder of the title and insert "amending RCW 42.17A.055,
3 42.17A.110, 42.17A.225, 42.17A.235, 42.17A.240, 42.17A.255,
4 42.17A.265, 42.17A.450, 42.17A.750, 42.17A.755, 42.17A.765, and
5 42.17A.770; reenacting and amending RCW 42.17A.005 and 42.17A.220;
6 adding new sections to chapter 42.17A RCW; creating a new section;
7 and making appropriations."

--- END ---