

SSB 5108 - S AMD 512  
By Senator Billig

ADOPTED 02/09/2018

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the public has  
4 the right to know who is contributing to election campaigns in  
5 Washington state and that campaign finance disclosure deters  
6 corruption, increases public confidence in Washington state  
7 elections, raises the level of debate, and strengthens our  
8 representative democracy.

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

15 One of the cornerstones of Washington state's campaign finance  
16 disclosure laws is the requirement that political advertisements  
17 disclose the sponsor and the sponsor's top five donors. Many  
18 political action committees have avoided this important transparency  
19 requirement by funneling money from political action committee to  
20 political action committee so the top five donors listed are  
21 deceptive political action committee names rather than the real  
22 donors. The legislature finds that this practice, sometimes called  
23 "gray money" or "donor washing," undermines the intent of Washington  
24 state's campaign finance laws and impairs the transparency required  
25 for fair elections and a healthy democracy.

26 Therefore, the legislature intends to close this disclosure  
27 loophole, increase transparency and accountability, raise the level  
28 of discourse, deter corruption, and strengthen confidence in the  
29 election process by prohibiting political committees from receiving  
30 an overwhelming majority of their funds from one or a combination of  
31 political committees.

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

3        (1) For any requirement of including "top five contributors"  
4    information under RCW 42.17A.320 or any other provision of this  
5    chapter, the persons or entities making the largest contributions  
6    shall be determined solely as follows:

7        (a) The sponsor must first identify the five persons or entities  
8    making the largest contributions in excess of seven hundred dollars  
9    reportable under this chapter during the twelve-month period  
10   preceding the date on which the advertisement is initially to be  
11   published or otherwise presented to the public;

12        (b) For any political committee that qualifies as one of the top  
13   five contributors identified under (a) of this subsection, the top  
14   five contributors to that political committee during the same period  
15   must then be identified, and so on, until the individuals or entities  
16   other than political committees that have contributed the most to all  
17   political committees involved with the advertisement have been  
18   identified; and

19        (c) The sponsor's advertisement must then list the top five  
20   individuals or entities other than political committees contributing  
21   in excess of seven hundred dollars and making the largest aggregate  
22   contributions among all those identified under (a) and (b) of this  
23   subsection.

24        (2) Contributions to the sponsor that are earmarked, tracked, and  
25   used for purposes other than the advertisement in question should not  
26   be counted in identifying the top five contributors under subsection  
27   (1) of this section.

28        (3) The sponsor shall not be liable for a violation of this  
29   section where the persons or entities making the largest  
30   contributions to the advertisement fail to report to the commission  
31   contributions to the sponsor.

32        (4) The commission is authorized to adopt rules, as needed, to  
33   prevent circumvention and effectuate the purposes of top five  
34   contributors information requirements, which are intended to inform  
35   voters about the individuals and entities sponsoring political  
36   advertisements.

37        **Sec. 3.**    RCW 42.17A.320 and 2013 c 138 s 1 are each amended to  
38   read as follows:

1 (1) All written political advertising, whether relating to  
2 candidates or ballot propositions, shall include the sponsor's name  
3 and address. All radio and television political advertising, whether  
4 relating to candidates or ballot propositions, shall include the  
5 sponsor's name. The use of an assumed name for the sponsor of  
6 electioneering communications, independent expenditures, or political  
7 advertising shall be unlawful. For partisan office, if a candidate  
8 has expressed a party or independent preference on the declaration of  
9 candidacy, that party or independent designation shall be clearly  
10 identified in electioneering communications, independent  
11 expenditures, or political advertising.

12 (2) In addition to the information required by subsection (1) of  
13 this section, except as specifically addressed in subsections (4) and  
14 (5) of this section, all political advertising undertaken as an  
15 independent expenditure or an electioneering communication by a  
16 person or entity other than a bona fide political party must include  
17 as part of the communication:

18 (a) The statement: "No candidate authorized this ad. It is paid  
19 for by (name, address, city, state)";

20 (b) If the sponsor is a political committee, the statement: "Top  
21 Five Contributors," followed by a listing of the names of the five  
22 persons or entities making the largest contributions in excess of  
23 seven hundred dollars reportable under this chapter during the  
24 twelve-month period before the date of the advertisement or  
25 communication; and

26 (c) If the sponsor is a political committee established,  
27 maintained, or controlled directly, or indirectly through the  
28 formation of one or more political committees, by an individual,  
29 corporation, union, association, or other entity, the full name of  
30 that individual or entity.

31 (3) The information required by subsections (1) and (2) of this  
32 section shall:

33 (a) Appear on the first page or fold of the written advertisement  
34 or communication in at least ten-point type, or in type at least ten  
35 percent of the largest size type used in a written advertisement or  
36 communication directed at more than one voter, such as a billboard or  
37 poster, whichever is larger;

38 (b) Not be subject to the half-tone or screening process; and

39 (c) Be set apart from any other printed matter.

1 (4) In an independent expenditure or electioneering communication  
2 transmitted via television or other medium that includes a visual  
3 image, the following statement must either be clearly spoken, or  
4 appear in print and be visible for at least four seconds, appear in  
5 letters greater than four percent of the visual screen height on a  
6 solid black background on the entire bottom one-third of the  
7 television or visual display screen, or bottom one-fourth of the  
8 screen if the sponsor does not have or is otherwise not required to  
9 list its top five contributors, and have a reasonable color contrast  
10 with the background: "No candidate authorized this ad. Paid for by  
11 (name, city, state)." If the advertisement or communication is  
12 undertaken by a nonindividual other than a party organization, then  
13 the following notation must also be included: "Top Five Contributors"  
14 followed by a listing of the names of the five persons or entities  
15 making the largest contributions in excess of seven hundred dollars  
16 reportable under this chapter during the twelve-month period  
17 preceding the date on which the advertisement is initially published  
18 or otherwise presented to the public. Abbreviations may be used to  
19 describe contributing entities if the full name of the entity has  
20 been clearly spoken previously during the broadcast advertisement.

21 (5) The following statement shall be clearly spoken in an  
22 independent expenditure or electioneering communication transmitted  
23 by a method that does not include a visual image: "No candidate  
24 authorized this ad. Paid for by (name, city, state)." If the  
25 independent expenditure or electioneering communication is undertaken  
26 by a nonindividual other than a party organization, then the  
27 following statement must also be included: "Top Five Contributors"  
28 followed by a listing of the names of the five persons or entities  
29 making the largest contributions in excess of seven hundred dollars  
30 reportable under this chapter during the twelve-month period  
31 preceding the date on which the advertisement is initially published  
32 or otherwise presented to the public. Abbreviations may be used to  
33 describe contributing entities if the full name of the entity has  
34 been clearly spoken previously during the broadcast advertisement.

35 (6) Political advertising costing one thousand dollars or more  
36 supporting or opposing ballot measures sponsored by a political  
37 committee must include the information on the "Top Five Contributors"  
38 consistent with subsections (2), (4), and (5) of this section. A  
39 series of political advertising sponsored by the same political  
40 committee, each of which is under one thousand dollars, must include

1 the "Top Five Contributors" information required by this section once  
2 their cumulative value reaches one thousand dollars or more.

3 (7) Political yard signs are exempt from the requirements of this  
4 section that the sponsor's name and address, and "Top Five  
5 Contributor" information, be listed on the advertising. In addition,  
6 the public disclosure commission shall, by rule, exempt from the  
7 identification requirements of this section forms of political  
8 advertising such as campaign buttons, balloons, pens, pencils, sky-  
9 writing, inscriptions, and other forms of advertising where  
10 identification is impractical.

11 (8) For the purposes of this section, "yard sign" means any  
12 outdoor sign with dimensions no greater than eight feet by four  
13 feet."

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14 On page 1, line 1 of the title, after "Relating to" strike the  
15 remainder of the title and insert "disclosure of contributions from  
16 political committees to other political committees; amending RCW  
17 42.17A.320; adding a new section to chapter 42.17A RCW; and creating  
18 a new section."

EFFECT: (1) Holds sponsors of political advertisements harmless  
for violations of the top 5 contributors disclosure requirement where  
donors fail to report to the PDC contributions made to the sponsor.

(2) Requires sponsor and top 5 contributors disclosure in  
televised or visual media advertisements to be on a solid black  
background taking up the bottom of the screen and printed in a  
contrasting color.

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