
SUBSTITUTE SENATE BILL 5991

State of Washington

65th Legislature

2018 Regular Session

By Senate State Government, Tribal Relations & Elections (originally sponsored by Senators Billig, Fain, Palumbo, Miloscia, Hunt, Mullet, Carlyle, Frockt, Rolfes, Ranker, Darneille, Conway, Hasegawa, Pedersen, Nelson, McCoy, Takko, Saldaña, Cleveland, Wellman, Kuderer, Liias, Hobbs, Chase, Van De Wege, Keiser, and Dhingra)

READ FIRST TIME 01/15/18.

1 AN ACT Relating to increasing transparency of contributions by
2 creating the Washington state DISCLOSE act of 2018; amending RCW
3 42.17A.235, 42.17A.240, and 42.17A.420; reenacting and amending RCW
4 42.17A.005; adding a new section to chapter 42.17A RCW; creating new
5 sections; and providing an effective date.

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

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

10 NEW SECTION. **Sec. 2.** The legislature finds that the public has
11 the right to know who is contributing to election campaigns in
12 Washington state and that campaign finance disclosure deters
13 corruption, increases public confidence in Washington state
14 elections, and strengthens representative democracy.

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

1 The legislature finds that nonprofit organizations are
2 increasingly engaging in campaign activities in Washington state and
3 across the country, including taking a more active role in
4 contributing to candidate and ballot proposition campaigns. In some
5 cases, these activities are occurring without adequate public
6 disclosure due to loopholes in campaign finance regulations.

7 The legislature finds that nonprofit organizations may form
8 political committees using the funds contributed only by those
9 members wishing to further the organization's campaign activity.
10 However, many members of nonprofit organizations wish to use the
11 provisions of current law to anonymously contribute to campaign
12 activity, frustrating the purposes of public disclosure laws.

13 Therefore, the legislature intends to increase transparency and
14 accountability, deter corruption, and strengthen confidence in the
15 election process by closing campaign finance disclosure loopholes and
16 requiring the disclosure of contributions and expenditures by
17 nonprofit organizations that participate significantly in Washington
18 state elections.

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

21 The definitions in this section apply throughout this chapter
22 unless the context clearly requires otherwise.

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

25 (2) "Agency" includes all state agencies and all local agencies.
26 "State agency" includes every state office, department, division,
27 bureau, board, commission, or other state agency. "Local agency"
28 includes every county, city, town, municipal corporation, quasi-
29 municipal corporation, or special purpose district, or any office,
30 department, division, bureau, board, commission, or agency thereof,
31 or other local public agency.

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

36 (4) "Ballot proposition" means any "measure" as defined by RCW
37 29A.04.091, or any initiative, recall, or referendum proposition
38 proposed to be submitted to the voters of the state or any municipal
39 corporation, political subdivision, or other voting constituency from

1 and after the time when the proposition has been initially filed with
2 the appropriate election officer of that constituency before its
3 circulation for signatures.

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

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

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

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

14 (c) The county central committee or legislative district
15 committee of a major political party. There may be only one
16 legislative district committee for each party in each legislative
17 district.

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

21 (a) Receives contributions or makes expenditures or reserves
22 space or facilities with intent to promote his or her candidacy for
23 office;

24 (b) Announces publicly or files for office;

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

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

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

33 (9) "Commercial advertiser" means any person who sells the
34 service of communicating messages or producing printed material for
35 broadcast or distribution to the general public or segments of the
36 general public whether through the use of newspapers, magazines,
37 television and radio stations, billboard companies, direct mail
38 advertising companies, printing companies, or otherwise.

39 (10) "Commission" means the agency established under RCW
40 42.17A.100.

1 (11) "Compensation" unless the context requires a narrower
2 meaning, includes payment in any form for real or personal property
3 or services of any kind. For the purpose of compliance with RCW
4 42.17A.710, "compensation" does not include per diem allowances or
5 other payments made by a governmental entity to reimburse a public
6 official for expenses incurred while the official is engaged in the
7 official business of the governmental entity.

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

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

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

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

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

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

30 (b) "Contribution" does not include:

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

33 (ii) Ordinary home hospitality;

34 (iii) A contribution received by a candidate or political or
35 incidental committee that is returned to the contributor within five
36 business days of the date on which it is received by the candidate or
37 political or incidental committee;

38 (iv) A news item, feature, commentary, or editorial in a
39 regularly scheduled news medium that is of primary interest to the
40 general public, that is in a news medium controlled by a person whose

1 business is that news medium, and that is not controlled by a
2 candidate or a political or incidental committee;

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

8 (vi) The rendering of personal services of the sort commonly
9 performed by volunteer campaign workers, or incidental expenses
10 personally incurred by volunteer campaign workers not in excess of
11 fifty dollars personally paid for by the worker. "Volunteer
12 services," for the purposes of this subsection, means services or
13 labor for which the individual is not compensated by any person;

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

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

21 (A) A political party or caucus political committee if the person
22 paying for the services is the regular employer of the person
23 rendering such services; or

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

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

33 (A) The person performs solely ministerial functions;

34 (B) A person who is paid by two or more candidates or political
35 or incidental committees is identified by the candidates and
36 political committees on whose behalf services are performed as part
37 of their respective statements of organization under RCW 42.17A.205;
38 and

39 (C) The person does not disclose, except as required by law, any
40 information regarding a candidate's or committee's plans, projects,

1 activities, or needs, or regarding a candidate's or committee's
2 contributions or expenditures that is not already publicly available
3 from campaign reports filed with the commission, or otherwise engage
4 in activity that constitutes a contribution under (a)(ii) of this
5 subsection.

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

10 (c) Contributions other than money or its equivalent are deemed
11 to have a monetary value equivalent to the fair market value of the
12 contribution. Services or property or rights furnished at less than
13 their fair market value for the purpose of assisting any candidate or
14 political committee are deemed a contribution. Such a contribution
15 must be reported as an in-kind contribution at its fair market value
16 and counts towards any applicable contribution limit of the provider.

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

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

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

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

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

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

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

7 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
8 otherwise published within sixty days before any election for that
9 office in the jurisdiction in which the candidate is seeking
10 election; and

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

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

16 (i) Usual and customary advertising of a business owned by a
17 candidate, even if the candidate is mentioned in the advertising when
18 the candidate has been regularly mentioned in that advertising
19 appearing at least twelve months preceding his or her becoming a
20 candidate;

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

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

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

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

30 (C) Not a medium controlled by a candidate or a political or
31 incidental committee;

32 (iv) Slate cards and sample ballots;

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

37 (vi) Public service announcements;

38 (vii) A mailed internal political communication primarily limited
39 to the members of or contributors to a political party organization
40 or political or incidental committee, or to the officers, management

1 staff, or stockholders of a corporation or similar enterprise, or to
2 the members of a labor organization or other membership organization;

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

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

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

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

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

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

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

39 (25) "Incidental committee" means any nonprofit organization not
40 otherwise defined as a political committee but that may incidentally

1 make a contribution or an expenditure in excess of the reporting
2 thresholds in section 5 of this act, directly or through a political
3 committee.

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

6 ~~((+26+))~~ (27) "Independent expenditure" means an expenditure that
7 has each of the following elements:

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

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

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

29 ~~((+27+))~~ (28)(a) "Intermediary" means an individual who transmits
30 a contribution to a candidate or committee from another person unless
31 the contribution is from the individual's employer, immediate family,
32 or an association to which the individual belongs.

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

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

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

1 (~~(28)~~) (29) "Legislation" means bills, resolutions, motions,
2 amendments, nominations, and other matters pending or proposed in
3 either house of the state legislature, and includes any other matter
4 that may be the subject of action by either house or any committee of
5 the legislature and all bills and resolutions that, having passed
6 both houses, are pending approval by the governor.

7 (~~(29)~~) (30) "Legislative office" means the office of a member
8 of the state house of representatives or the office of a member of
9 the state senate.

10 (~~(30)~~) (31) "Lobby" and "lobbying" each mean attempting to
11 influence the passage or defeat of any legislation by the legislature
12 of the state of Washington, or the adoption or rejection of any rule,
13 standard, rate, or other legislative enactment of any state agency
14 under the state administrative procedure act, chapter 34.05 RCW.
15 Neither "lobby" nor "lobbying" includes an association's or other
16 organization's act of communicating with the members of that
17 association or organization.

18 (~~(31)~~) (32) "Lobbyist" includes any person who lobbies either
19 in his or her own or another's behalf.

20 (~~(32)~~) (33) "Lobbyist's employer" means the person or persons
21 by whom a lobbyist is employed and all persons by whom he or she is
22 compensated for acting as a lobbyist.

23 (~~(33)~~) (34) "Ministerial functions" means an act or duty
24 carried out as part of the duties of an administrative office without
25 exercise of personal judgment or discretion.

26 (~~(34)~~) (35) "Participate" means that, with respect to a
27 particular election, an entity:

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

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

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

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

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

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

6 ~~((+35+))~~ (36) "Person" includes an individual, partnership, joint
7 venture, public or private corporation, association, federal, state,
8 or local governmental entity or agency however constituted,
9 candidate, committee, political committee, political party, executive
10 committee thereof, or any other organization or group of persons,
11 however organized.

12 ~~((+36+))~~ (37) "Political advertising" includes any advertising
13 displays, newspaper ads, billboards, signs, brochures, articles,
14 tabloids, flyers, letters, radio or television presentations, or
15 other means of mass communication, used for the purpose of appealing,
16 directly or indirectly, for votes or for financial or other support
17 or opposition in any election campaign.

18 ~~((+37+))~~ (38) "Political committee" means any person (except a
19 candidate or an individual dealing with his or her own funds or
20 property) having the expectation of receiving contributions or making
21 expenditures in support of, or opposition to, any candidate or any
22 ballot proposition.

23 ~~((+38+))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means
24 the procedure for nominating a candidate to state or local office
25 under chapter 29A.52 RCW or any other primary for an election that
26 uses, in large measure, the procedures established in chapter 29A.52
27 RCW.

28 ~~((+39+))~~ (40) "Public office" means any federal, state, judicial,
29 county, city, town, school district, port district, special district,
30 or other state political subdivision elective office.

31 ~~((+40+))~~ (41) "Public record" has the definition in RCW
32 42.56.010.

33 ~~((+41+))~~ (42) "Recall campaign" means the period of time
34 beginning on the date of the filing of recall charges under RCW
35 29A.56.120 and ending thirty days after the recall election.

36 ~~((+42+))~~ (43)(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 or incidental
4 committee, means any person, except an authorized committee, to whom
5 any of the following 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)~~) (44) "Sponsored committee" means a committee, other than
13 an authorized committee, that has one or more sponsors.

14 (~~(44)~~) (45) "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)~~) (46) "State official" means a person who holds a state
20 office.

21 (~~(46)~~) (47) "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)~~) (48) "Treasurer" and "deputy treasurer" mean the
32 individuals appointed by a candidate or political or incidental
33 committee, pursuant to RCW 42.17A.210, to perform the duties
34 specified in that section.

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

37 (1)(a) An incidental committee must file a statement of
38 organization with the commission within two weeks after the date the
39 committee first:

1 (i) Has the expectation of making contributions or expenditures
2 aggregating at least ten thousand dollars in a calendar year in any
3 election campaign, or to a political committee; and

4 (ii) Is required to disclose a payment received under RCW
5 42.17A.240(2)(d).

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

10 (2) The statement of organization must include but is not limited
11 to:

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

13 (b) The names and addresses of all related or affiliated
14 political or incidental committees or other persons, and the nature
15 of the relationship or affiliation;

16 (c) The names, addresses, and titles of its officers; or if it
17 has no officers, the names, addresses, and titles of its responsible
18 leaders and the name of the person designated as the treasurer of the
19 incidental committee;

20 (d) The name, office sought, and party affiliation of each
21 candidate whom the committee is supporting or opposing if the
22 committee contributes directly to a candidate and, if donating to a
23 political committee, the name and address of that political
24 committee;

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

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

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

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

34 (1) In addition to the information required under RCW 42.17A.205
35 and 42.17A.210, on the day the treasurer is designated, each
36 candidate or political committee must file with the commission a
37 report of all contributions received and expenditures made prior to
38 that date, if any. In addition to the information required under RCW
39 42.17A.205 and 42.17A.210, on the day an incidental committee files a

1 statement of organization with the commission, each incidental
2 committee must file with the commission a report of any expenditures
3 under RCW 42.17A.240(6), as well as the source of the ten largest
4 aggregate payments of ten thousand dollars or greater it received in
5 the current calendar year from a single person, including any persons
6 tied as the tenth largest source of payments it received, if any, and
7 all aggregate payments it received in the current calendar year with
8 a value of one hundred thousand dollars or greater from a single
9 person.

10 (2) Each treasurer of a candidate or political committee or
11 incidental committee required to file a statement of organization
12 under this chapter shall file with the commission a report containing
13 the information required by RCW 42.17A.240 at the following
14 intervals:

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

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

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

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

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

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

27 (B) Made any expenditure reportable under RCW 42.17A.240(6) since
28 its last report, and the total expenditures made since the last
29 report exceed two hundred dollars.

30 The report filed twenty-one days before the election shall report
31 all contributions received and expenditures made as of the end of one
32 business day before the date of the report. The report filed seven
33 days before the election shall report all contributions received and
34 expenditures made as of the end of one business day before the date
35 of the report. Reports filed on the tenth day of the month shall
36 report all contributions received and expenditures made from the
37 closing date of the last report filed through the last day of the
38 month preceding the date of the current report.

39 (3) For the period beginning the first day of the fourth month
40 preceding the date of the special election, or for the period

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

14 (4)(a) The treasurer (~~(or)~~) for a candidate or a political
15 committee shall maintain books of account accurately reflecting all
16 contributions and expenditures on a current basis within five
17 business days of receipt or expenditure. During the eight days
18 immediately preceding the date of the election the books of account
19 shall be kept current within one business day. As specified in the
20 political committee's statement of organization filed under RCW
21 42.17A.205, the books of account must be open for public inspection
22 by appointment at the designated place for inspections between 8:00
23 a.m. and 8:00 p.m. on any day from the eighth day immediately before
24 the election through the day immediately before the election, other
25 than Saturday, Sunday, or a legal holiday. It is a violation of this
26 chapter for a candidate or political committee to refuse to allow and
27 keep an appointment for an inspection to be conducted during these
28 authorized times and days. The appointment must be allowed at an
29 authorized time and day for such inspections that is within twenty-
30 four hours of the time and day that is requested for the inspection.

31 (b) At the time of making the appointment, a person wishing to
32 inspect the books of account must provide the treasurer the name and
33 telephone number of the person wishing to inspect the books of
34 account. The person inspecting the books of account must show photo
35 identification before the inspection begins.

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

39 (5) Copies of all reports filed pursuant to this section shall be
40 readily available for public inspection by appointment, pursuant to

1 subsection (4) of this section, at the principal headquarters or, if
2 there is no headquarters, at the address of the treasurer or such
3 other place as may be authorized by the commission.

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

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

11 (8) When there is no outstanding debt or obligation, the campaign
12 fund is closed, and the campaign is concluded in all respects or in
13 the case of a political committee, the committee has ceased to
14 function and has dissolved, the treasurer shall file a final report.
15 Upon submitting a final report, the duties of the treasurer shall
16 cease and there is no obligation to make any further reports.

17 (9) The commission must adopt rules for the dissolution of
18 incidental committees.

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

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

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

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

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

36 (b) Income that results from a fund-raising activity conducted in
37 accordance with RCW 42.17A.230 may be reported as one lump sum, with
38 the exception of that portion received from persons whose names and

1 addresses are required to be included in the report required by RCW
2 42.17A.230;

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

8 (d) Payments received by an incidental committee from any one
9 person need not be reported unless:

10 (i) The person is one of the committee's ten largest sources of
11 payments received, including any persons tied as the tenth largest
12 source of payments received, during the current calendar year, and
13 the value of the aggregate payments received from that person during
14 the current calendar year is ten thousand dollars or greater; or

15 (ii) The person gave one hundred thousand dollars or more to the
16 incidental committee during the current calendar year; and

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

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

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

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

28 (6) The name and address of each person to whom an expenditure
29 was made in the aggregate amount of more than fifty dollars during
30 the period covered by this report, the amount, date, and purpose of
31 each expenditure, and the total sum of all expenditures. An
32 incidental committee only must report on such expenditures that were
33 made directly or indirectly in support of or in opposition to any
34 election campaign or to a political or incidental committee;

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

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

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

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

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

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

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

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

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

30 NEW SECTION. **Sec. 9.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

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

--- END ---