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SENATE BILL 6097

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State of Washington                      63rd Legislature                      2014 Regular Session

By Senators Billig, Hasegawa, and Kline

Read first time 01/15/14. Referred to Committee on Governmental Operations.

1            AN ACT Relating to facilitating and regulating contributions via  
2 text message to political campaigns; amending RCW 42.17A.125,  
3 42.17A.235, 42.17A.240, 42.17A.405, and 42.17A.410; reenacting and  
4 amending RCW 42.17A.005 and 42.17A.220; adding a new section to chapter  
5 42.17A RCW; creating a new section; and providing an effective date.

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

7            NEW SECTION.    **Sec. 1.**    The legislature finds that at a time of  
8 unlimited independent expenditures in elections, when special interests  
9 have increasing influence over the outcomes of elections in the state  
10 of Washington, more should be done to encourage a wider base of  
11 political participation by facilitating small donations in political  
12 campaigns and updating Washington state's campaign finance laws to  
13 match new technologies.

14            The legislature finds that many individuals already make charitable  
15 contributions via text messages for various causes. According to a  
16 recent study by the Pew Charitable Trusts, more than thirty million  
17 Americans have made a charitable contribution by text message.

18            The legislature also finds that increasing the number of

1 individuals who participate in the electoral process will result in a  
2 stronger and more inclusive democracy.

3 Therefore, it is the intent of the legislature to modernize  
4 campaign contribution options and increase participation in the  
5 election process by facilitating contributions via text message to  
6 political campaigns.

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

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

5 (c) The county central committee or legislative district committee  
6 of a major political party. There may be only one legislative district  
7 committee for each party in each legislative district.

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

11 (a) Receives contributions or makes expenditures or reserves space  
12 or facilities with intent to promote his or her candidacy for 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 of  
17 the individual any of the actions in (a) or (c) of this subsection.

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

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

27 (10) "Commission" means the agency established under RCW  
28 42.17A.100.

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

36 (12) "Connection aggregator" means a third party intermediary  
37 between a wireless provider and a candidate or authorized committee  
38 that receives and processes text messages by common short codes.

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

4        (~~(13)~~) (14)(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 personal  
8 and professional services for less than full consideration;

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

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

22        (b) "Contribution" does not include:

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

25        (ii) Ordinary home hospitality;

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

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

34        (v) An internal political communication primarily limited to the  
35 members of or contributors to a political party organization or  
36 political committee, or to the officers, management staff, or  
37 stockholders of a corporation or similar enterprise, or to the members  
38 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 services,"  
5 for the purposes of this subsection, means services or labor for which  
6 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 occupied  
9 by a person. However, a facility used for such political advertising  
10 for which a rental charge is normally made must be reported as an in-  
11 kind contribution and counts towards any applicable contribution limit  
12 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 rendering  
16 such services; or

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

21 (ix) The performance of ministerial functions by a person on behalf  
22 of two or more candidates or political committees either as volunteer  
23 services defined in (b)(vi) of this subsection or for payment by the  
24 candidate or political committee for whom the services are performed as  
25 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 on  
29 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 in  
36 activity that constitutes a contribution under (a)(ii) of this  
37 subsection.

1 A person who performs ministerial functions under this subsection  
2 (~~(13)~~) (14)(b)(ix) is not considered an agent of the candidate or  
3 committee as long as he or she has no authority to authorize  
4 expenditures or make decisions on behalf of the candidate or committee.

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

12 (~~(14)~~) (15) "Depository" means a bank, mutual savings bank,  
13 savings and loan association, or credit union doing business in this  
14 state.

15 (~~(15)~~) (16) "Elected official" means any person elected at a  
16 general or special election to any public office, and any person  
17 appointed to fill a vacancy in any such office.

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

25 (~~(17)~~) (18) "Election campaign" means any campaign in support of  
26 or in opposition to a candidate for election to public office and any  
27 campaign in support of, or in opposition to, a ballot proposition.

28 (~~(18)~~) (19) "Election cycle" means the period beginning on the  
29 first day of January after the date of the last previous general  
30 election for the office that the candidate seeks and ending on December  
31 31st after the next election for the office. In the case of a special  
32 election to fill a vacancy in an office, "election cycle" means the  
33 period beginning on the day the vacancy occurs and ending on December  
34 31st after the special election.

35 (~~(19)~~) (20)(a) "Electioneering communication" means any  
36 broadcast, cable, or satellite television or radio transmission, United  
37 States postal service mailing, billboard, newspaper, or periodical  
38 that:

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

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

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

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

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

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

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

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

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

27 (C) Not a medium controlled by a candidate or a political  
28 committee;

29 (iv) Slate cards and sample ballots;

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

34 (vi) Public service announcements;

35 (vii) A mailed internal political communication primarily limited  
36 to the members of or contributors to a political party organization or  
37 political committee, or to the officers, management staff, or

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

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

23 ~~((+22+))~~ (23) "General election" for the purposes of RCW 42.17A.405  
24 means the election that results in the election of a person to a state  
25 or local office. It does not include a primary.

26 ~~((+23+))~~ (24) "Gift" has the definition in RCW 42.52.010.

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



1        ~~((+25+))~~ (26) "Incumbent" means a person who is in present  
2 possession of an elected office.

3        ~~((+26+))~~ (27) "Independent expenditure" means an expenditure that  
4 has each of the following elements:

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

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

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

26        ~~((+27+))~~ (28)(a) "Intermediary" means an individual who transmits  
27 a contribution to a candidate or committee from another person unless  
28 the contribution is from the individual's employer, immediate family,  
29 or an association to which the individual belongs.

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

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

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

37        ~~((+28+))~~ (29) "Legislation" means bills, resolutions, motions,  
38 amendments, nominations, and other matters pending or proposed in

1 either house of the state legislature, and includes any other matter  
2 that may be the subject of action by either house or any committee of  
3 the legislature and all bills and resolutions that, having passed both  
4 houses, are pending approval by the governor.

5 ~~((+29+))~~ (30) "Legislative office" means the office of a member of  
6 the state house of representatives or the office of a member of the  
7 state senate.

8 ~~((+30+))~~ (31) "Lobby" and "lobbying" each mean attempting to  
9 influence the passage or defeat of any legislation by the legislature  
10 of the state of Washington, or the adoption or rejection of any rule,  
11 standard, rate, or other legislative enactment of any state agency  
12 under the state administrative procedure act, chapter 34.05 RCW.  
13 Neither "lobby" nor "lobbying" includes an association's or other  
14 organization's act of communicating with the members of that  
15 association or organization.

16 ~~((+31+))~~ (32) "Lobbyist" includes any person who lobbies either in  
17 his or her own or another's behalf.

18 ~~((+32+))~~ (33) "Lobbyist's employer" means the person or persons by  
19 whom a lobbyist is employed and all persons by whom he or she is  
20 compensated for acting as a lobbyist.

21 ~~((+33+))~~ (34) "Ministerial functions" means an act or duty carried  
22 out as part of the duties of an administrative office without exercise  
23 of personal judgment or discretion.

24 ~~((+34+))~~ (35) "Participate" means that, with respect to a  
25 particular election, an entity:

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

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

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

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

36 (e) Directly or indirectly collaborates or consults with a  
37 subsidiary corporation or local unit on matters relating to the support  
38 of or opposition to a candidate, including, but not limited to, the

1 amount of a contribution, when a contribution should be given, and what  
2 assistance, services or independent expenditures, or electioneering  
3 communications, if any, will be made or should be made in support of or  
4 opposition to a candidate.

5 ~~((+35+))~~ (36) "Person" includes an individual, partnership, joint  
6 venture, public or private corporation, association, federal, state, or  
7 local governmental entity or agency however constituted, candidate,  
8 committee, political committee, political party, executive committee  
9 thereof, or any other organization or group of persons, however  
10 organized.

11 ~~((+36+))~~ (37) "Political advertising" includes any advertising  
12 displays, newspaper ads, billboards, signs, brochures, articles,  
13 tabloids, flyers, letters, radio or television presentations, or other  
14 means of mass communication, used for the purpose of appealing,  
15 directly or indirectly, for votes or for financial or other support or  
16 opposition in any election campaign.

17 ~~((+37+))~~ (38) "Political committee" means any person (except a  
18 candidate or an individual dealing with his or her own funds or  
19 property) having the expectation of receiving contributions or making  
20 expenditures in support of, or opposition to, any candidate or any  
21 ballot proposition.

22 ~~((+38+))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means  
23 the procedure for nominating a candidate to state or local office under  
24 chapter 29A.52 RCW or any other primary for an election that uses, in  
25 large measure, the procedures established in chapter 29A.52 RCW.

26 ~~((+39+))~~ (40) "Public office" means any federal, state, judicial,  
27 county, city, town, school district, port district, special district,  
28 or other state political subdivision elective office.

29 ~~((+40+))~~ (41) "Public record" has the definition in RCW 42.56.010.

30 ~~((+41+))~~ (42) "Recall campaign" means the period of time beginning  
31 on the date of the filing of recall charges under RCW 29A.56.120 and  
32 ending thirty days after the recall election.

33 ~~((+42+))~~ (43)(a) "Sponsor" for purposes of an electioneering  
34 communications, independent expenditures, or political advertising  
35 means the person paying for the electioneering communication,  
36 independent expenditure, or political advertising. If a person acts as  
37 an agent for another or is reimbursed by another for the payment, the  
38 original source of the payment is the sponsor.

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

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

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

9 ~~((43))~~ (44) "Sponsored committee" means a committee, other than  
10 an authorized committee, that has one or more sponsors.

11 ~~((44))~~ (45) "State office" means state legislative office or the  
12 office of governor, lieutenant governor, secretary of state, attorney  
13 general, commissioner of public lands, insurance commissioner,  
14 superintendent of public instruction, state auditor, or state  
15 treasurer.

16 ~~((45))~~ (46) "State official" means a person who holds a state  
17 office.

18 ~~((46))~~ (47) "Surplus funds" mean, in the case of a political  
19 committee or candidate, the balance of contributions that remain in the  
20 possession or control of that committee or candidate subsequent to the  
21 election for which the contributions were received, and that are in  
22 excess of the amount necessary to pay remaining debts incurred by the  
23 committee or candidate with respect to that election. In the case of  
24 a continuing political committee, "surplus funds" mean those  
25 contributions remaining in the possession or control of the committee  
26 that are in excess of the amount necessary to pay all remaining debts  
27 when it makes its final report under RCW 42.17A.255.

28 ~~((47))~~ (48) "Text message" means an electronic communication via  
29 the short message service (SMS) that may only be sent and received  
30 through a mobile device.

31 (49) "Treasurer" and "deputy treasurer" mean the individuals  
32 appointed by a candidate or political committee, pursuant to RCW  
33 42.17A.210, to perform the duties specified in that section.

34 **Sec. 3.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to read  
35 as follows:

36 (1) At the beginning of each even-numbered calendar year, the  
37 commission shall increase or decrease the dollar amounts in RCW

1 42.17A.005(~~(+26+)~~) (27), 42.17A.405, 42.17A.410, 42.17A.445(3),  
2 42.17A.475, and 42.17A.630(1) based on changes in economic conditions  
3 as reflected in the inflationary index recommended by the office of  
4 financial management. The new dollar amounts established by the  
5 commission under this section (~~(shall)~~) must be rounded off to amounts  
6 as judged most convenient for public understanding and so as to be  
7 within ten percent of the target amount equal to the base amount  
8 provided in this chapter multiplied by the increase in the inflationary  
9 index since July 2008.

10 (2) The commission may revise, at least once every five years but  
11 no more often than every two years, the monetary reporting thresholds  
12 and reporting code values of this chapter. The revisions (~~(shall)~~)  
13 must be only for the purpose of recognizing economic changes as  
14 reflected by an inflationary index recommended by the office of  
15 financial management. The revisions (~~(shall)~~) must be guided by the  
16 change in the index for the period commencing with the month of  
17 December preceding the last revision and concluding with the month of  
18 December preceding the month the revision is adopted. As to each of  
19 the three general categories of this chapter, reports of campaign  
20 finance, reports of lobbyist activity, and reports of the financial  
21 affairs of elected and appointed officials, the revisions (~~(shall)~~)  
22 must equally affect all thresholds within each category. The revisions  
23 authorized by this subsection (~~(shall)~~) must reflect economic changes  
24 from the time of the last legislative enactment affecting the  
25 respective code or threshold.

26 (3) Revisions made in accordance with subsections (1) and (2) of  
27 this section (~~(shall)~~) must be adopted as rules under chapter 34.05  
28 RCW.

29 **Sec. 4.** RCW 42.17A.220 and 2010 c 205 s 3 and 2010 c 204 s 405 are  
30 each reenacted and amended to read as follows:

31 (1) All monetary contributions received by a candidate or political  
32 committee shall be deposited by the treasurer or deputy treasurer in a  
33 depository in an account established and designated for that purpose.  
34 Such deposits shall be made within five business days of receipt of the  
35 contribution. A contribution via text message is received when the  
36 candidate or political committee obtains actual possession of the  
37 contribution.

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

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

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

8 (c) Transfers of funds that must be reported under RCW  
9 42.17A.240(~~(1)(e)~~) (5) are not made from more than one such account.

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

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

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

22 (4) Accumulated unidentified contributions, other than those made  
23 by persons whose names must be maintained on a separate and private  
24 list by a political committee's treasurer pursuant to RCW  
25 42.17A.240(~~(1)(b)~~) (2), in excess of one percent of the total  
26 accumulated contributions received in the current calendar year, or  
27 three hundred dollars, whichever is more, may not be deposited, used,  
28 or expended, but shall be returned to the donor if his or her identity  
29 can be ascertained. If the donor cannot be ascertained, the  
30 contribution shall escheat to the state and shall be paid to the state  
31 treasurer for deposit in the state general fund.

32 **Sec. 5.** RCW 42.17A.235 and 2011 c 60 s 23 are each amended to read  
33 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 candidate  
36 or political committee must file with the commission a report of all

1 contributions received and expenditures made prior to that date, if  
2 any.

3 (2) Each treasurer shall file with the commission a report  
4 containing the information required by RCW 42.17A.240 at the following  
5 intervals:

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

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

9 (c) On the tenth day of each month in which no other reports are  
10 required to be filed under this section only if the committee has  
11 received a contribution or made an expenditure in the preceding  
12 calendar month and either the total contributions received or total  
13 expenditures made since the last such report exceed two hundred  
14 dollars.

15 The report filed twenty-one days before the election shall report  
16 all contributions received and expenditures made as of the end of one  
17 business day before the date of the report. The report filed seven  
18 days before the election shall report all contributions received and  
19 expenditures made as of the end of one business day before the date of  
20 the report. Reports filed on the tenth day of the month shall report  
21 all contributions received and expenditures made from the closing date  
22 of the last report filed through the last day of the month preceding  
23 the date of the current report.

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

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

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

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

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

29 (8) When there is no outstanding debt or obligation, the campaign  
30 fund is closed, and the campaign is concluded in all respects or in the  
31 case of a political committee, the committee has ceased to function and  
32 has dissolved, the treasurer shall file a final report. Upon  
33 submitting a final report, the duties of the treasurer shall cease and  
34 there is no obligation to make any further reports.

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



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

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

5 (2) The name and address of each person who has made one or more  
6 contributions during the period, together with the money value and date  
7 of each contribution and the aggregate value of all contributions  
8 received from each person during the campaign, or in the case of a  
9 continuing political committee, the current calendar year, with the  
10 following exceptions:

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

13 (b) Income that results from a fund-raising activity conducted in  
14 accordance with RCW 42.17A.230 may be reported as one lump sum, with  
15 the exception of that portion received from persons whose names and  
16 addresses are required to be included in the report required by RCW  
17 42.17A.230;

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

23 (d) Text message contributions processed in accordance with the  
24 rules adopted under section 9 of this act may be reported as one lump  
25 sum per reporting period if the treasurer maintains a separate and  
26 private list of the account holder's name, phone number, and amount of  
27 each such contributor; and

28 (e) The money value of contributions of postage shall be the face  
29 value of the postage;

30 (3) Each loan, promissory note, or security instrument to be used  
31 by or for the benefit of the candidate or political committee made by  
32 any person, including the names and addresses of the lender and each  
33 person liable directly, indirectly or contingently and the date and  
34 amount of each such loan, promissory note, or security instrument;

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

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

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

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

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

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

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

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

20 **Sec. 7.** RCW 42.17A.405 and 2013 c 311 s 1 are each amended to read  
21 as follows:

22 (1) The contribution limits in this section apply to:

23 (a) Candidates for legislative office;

24 (b) Candidates for state office other than legislative office;

25 (c) Candidates for county office;

26 (d) Candidates for special purpose district office if that district  
27 is authorized to provide freight and passenger transfer and terminal  
28 facilities and that district has over two hundred thousand registered  
29 voters;

30 (e) Candidates for city council office;

31 (f) Candidates for mayoral office;

32 (g) Candidates for school board office;

33 (h) Candidates for public hospital district board of commissioners  
34 in districts with a population over one hundred fifty thousand;

35 (i) Persons holding an office in (a) through (h) of this subsection  
36 against whom recall charges have been filed or to a political committee

1 having the expectation of making expenditures in support of the recall  
2 of a person holding the office;

3 (j) Caucus political committees;

4 (k) Bona fide political parties.

5 (2) No person, other than a bona fide political party or a caucus  
6 political committee, may make contributions to a candidate for a  
7 legislative office, county office, city council office, mayoral office,  
8 school board office, or public hospital district board of commissioners  
9 that in the aggregate exceed eight hundred dollars or to a candidate  
10 for a public office in a special purpose district or a state office  
11 other than a legislative office that in the aggregate exceed one  
12 thousand six hundred dollars for each election in which the candidate  
13 is on the ballot or appears as a write-in candidate. Contributions to  
14 candidates subject to the limits in this section made with respect to  
15 a primary may not be made after the date of the primary. However,  
16 contributions to a candidate or a candidate's authorized committee may  
17 be made with respect to a primary until thirty days after the primary,  
18 subject to the following limitations: (a) The candidate lost the  
19 primary; (b) the candidate's authorized committee has insufficient  
20 funds to pay debts outstanding as of the date of the primary; and (c)  
21 the contributions may only be raised and spent to satisfy the  
22 outstanding debt. Contributions to candidates subject to the limits in  
23 this section made with respect to a general election may not be made  
24 after the final day of the applicable election cycle.

25 (3) No person, other than a bona fide political party or a caucus  
26 political committee, may make contributions to a state official, a  
27 county official, a city official, a school board member, a public  
28 hospital district commissioner, or a public official in a special  
29 purpose district against whom recall charges have been filed, or to a  
30 political committee having the expectation of making expenditures in  
31 support of the recall of the state official, county official, city  
32 official, school board member, public hospital district commissioner,  
33 or public official in a special purpose district during a recall  
34 campaign that in the aggregate exceed eight hundred dollars if for a  
35 legislative office, county office, school board office, public hospital  
36 district office, or city office, or one thousand six hundred dollars if  
37 for a special purpose district office or a state office other than a  
38 legislative office.

1 (4)(a) Notwithstanding subsection (2) of this section, no bona fide  
2 political party or caucus political committee may make contributions to  
3 a candidate during an election cycle that in the aggregate exceed (i)  
4 eighty cents multiplied by the number of eligible registered voters in  
5 the jurisdiction from which the candidate is elected if the contributor  
6 is a caucus political committee or the governing body of a state  
7 organization, or (ii) forty cents multiplied by the number of  
8 registered voters in the jurisdiction from which the candidate is  
9 elected if the contributor is a county central committee or a  
10 legislative district committee.

11 (b) No candidate may accept contributions from a county central  
12 committee or a legislative district committee during an election cycle  
13 that when combined with contributions from other county central  
14 committees or legislative district committees would in the aggregate  
15 exceed forty cents times the number of registered voters in the  
16 jurisdiction from which the candidate is elected.

17 (5)(a) Notwithstanding subsection (3) of this section, no bona fide  
18 political party or caucus political committee may make contributions to  
19 a state official, county official, city official, school board member,  
20 public hospital district commissioner, or a public official in a  
21 special purpose district against whom recall charges have been filed,  
22 or to a political committee having the expectation of making  
23 expenditures in support of the state official, county official, city  
24 official, school board member, public hospital district commissioner,  
25 or a public official in a special purpose district during a recall  
26 campaign that in the aggregate exceed (i) eighty cents multiplied by  
27 the number of eligible registered voters in the jurisdiction entitled  
28 to recall the state official if the contributor is a caucus political  
29 committee or the governing body of a state organization, or (ii) forty  
30 cents multiplied by the number of registered voters in the jurisdiction  
31 from which the candidate is elected if the contributor is a county  
32 central committee or a legislative district committee.

33 (b) No official holding an office specified in subsection (1) of  
34 this section against whom recall charges have been filed, no authorized  
35 committee of the official, and no political committee having the  
36 expectation of making expenditures in support of the recall of the  
37 official may accept contributions from a county central committee or a  
38 legislative district committee during an election cycle that when

1 combined with contributions from other county central committees or  
2 legislative district committees would in the aggregate exceed forty  
3 cents multiplied by the number of registered voters in the jurisdiction  
4 from which the candidate is elected.

5 (6) For purposes of determining contribution limits under  
6 subsections (4) and (5) of this section, the number of eligible  
7 registered voters in a jurisdiction is the number at the time of the  
8 most recent general election in the jurisdiction.

9 (7) Notwithstanding subsections (2) through (5) of this section, no  
10 person other than an individual, bona fide political party, or caucus  
11 political committee may make contributions reportable under this  
12 chapter to a caucus political committee that in the aggregate exceed  
13 eight hundred dollars in a calendar year or to a bona fide political  
14 party that in the aggregate exceed four thousand dollars in a calendar  
15 year. This subsection does not apply to loans made in the ordinary  
16 course of business.

17 (8) For the purposes of RCW 42.17A.125, 42.17A.405 through  
18 42.17A.415, 42.17A.450 through 42.17A.495, 42.17A.500, 42.17A.560, and  
19 42.17A.565, a contribution to the authorized political committee of a  
20 candidate or of an official specified in subsection (1) of this section  
21 against whom recall charges have been filed is considered to be a  
22 contribution to the candidate or official.

23 (9) A contribution received within the twelve-month period after a  
24 recall election concerning an office specified in subsection (1) of  
25 this section is considered to be a contribution during that recall  
26 campaign if the contribution is used to pay a debt or obligation  
27 incurred to influence the outcome of that recall campaign.

28 (10) The contributions allowed by subsection (3) of this section  
29 are in addition to those allowed by subsection (2) of this section, and  
30 the contributions allowed by subsection (5) of this section are in  
31 addition to those allowed by subsection (4) of this section.

32 (11) RCW 42.17A.125, 42.17A.405 through 42.17A.415, 42.17A.450  
33 through 42.17A.495, 42.17A.500, 42.17A.560, and 42.17A.565 apply to a  
34 special election conducted to fill a vacancy in an office specified in  
35 subsection (1) of this section. However, the contributions made to a  
36 candidate or received by a candidate for a primary or special election  
37 conducted to fill such a vacancy shall not be counted toward any of the

1 limitations that apply to the candidate or to contributions made to the  
2 candidate for any other primary or election.

3 (12) Notwithstanding the other subsections of this section, no  
4 corporation or business entity not doing business in Washington state,  
5 no labor union with fewer than ten members who reside in Washington  
6 state, and no political committee that has not received contributions  
7 of ten dollars or more from at least ten persons registered to vote in  
8 Washington state during the preceding one hundred eighty days may make  
9 contributions reportable under this chapter to a state office  
10 candidate, to a state official against whom recall charges have been  
11 filed, or to a political committee having the expectation of making  
12 expenditures in support of the recall of the official. This subsection  
13 does not apply to loans made in the ordinary course of business.

14 (13) Notwithstanding the other subsections of this section, no  
15 county central committee or legislative district committee may make  
16 contributions reportable under this chapter to a candidate specified in  
17 subsection (1) of this section, or an official specified in subsection  
18 (1) of this section against whom recall charges have been filed, or  
19 political committee having the expectation of making expenditures in  
20 support of the recall of an official specified in subsection (1) of  
21 this section if the county central committee or legislative district  
22 committee is outside of the jurisdiction entitled to elect the  
23 candidate or recall the official.

24 (14) No person may accept contributions that exceed the  
25 contribution limitations provided in this section.

26 (15) The following contributions are exempt from the contribution  
27 limits of this section:

28 (a) An expenditure or contribution earmarked for voter  
29 registration, for absentee ballot information, for precinct caucuses,  
30 for get-out-the-vote campaigns, for precinct judges or inspectors, for  
31 sample ballots, or for ballot counting, all without promotion of or  
32 political advertising for individual candidates;

33 (b) An expenditure by a political committee for its own internal  
34 organization or fund-raising without direct association with individual  
35 candidates; (~~(or)~~)

36 (c) An expenditure or contribution for independent expenditures as  
37 defined in RCW 42.17A.005 or electioneering communications as defined  
38 in RCW 42.17A.005; or

1        (d) A contribution made via text message made in accordance with  
2 rules adopted under section 9 of this act.

3        **Sec. 8.** RCW 42.17A.410 and 2010 c 204 s 603 are each amended to  
4 read as follows:

5        (1) No person may make contributions to a candidate for judicial  
6 office that in the aggregate exceed one thousand six hundred dollars  
7 for each election in which the candidate is on the ballot or appears as  
8 a write-in candidate. Contributions made with respect to a primary may  
9 not be made after the date of the primary. However, contributions to  
10 a candidate or a candidate's authorized committee may be made with  
11 respect to a primary until thirty days after the primary, subject to  
12 the following limitations: (a) The candidate lost the primary; (b) the  
13 candidate's authorized committee has insufficient funds to pay debts  
14 outstanding as of the date of the primary; and (c) the contributions  
15 may only be raised and spent to satisfy the outstanding debt.  
16 Contributions made with respect to a general election may not be made  
17 after the final day of the applicable election cycle.

18        (2) This section through RCW 42.17A.490 apply to a special election  
19 conducted to fill a vacancy in an office. However, the contributions  
20 made to a candidate or received by a candidate for a primary or special  
21 election conducted to fill such a vacancy will not be counted toward  
22 any of the limitations that apply to the candidate or to contributions  
23 made to the candidate for any other primary or election.

24        (3) No person may accept contributions that exceed the contribution  
25 limitations provided in this section.

26        (4) A contribution made via text message made in accordance with  
27 rules adopted under section 9 of this act is exempt from the  
28 contribution limits provided in this section.

29        (5) The dollar limits in this section must be adjusted according to  
30 RCW 42.17A.125.

31        NEW SECTION. **Sec. 9.** A new section is added to chapter 42.17A RCW  
32 to read as follows:

33        (1) By January 31, 2015, the commission must adopt rules regarding  
34 contributions made to campaigns via text message. The rules regarding  
35 contributions received via text message must include provisions that,  
36 at a minimum, require the following:

1 (a) After a contributor has initiated a contribution via text  
2 message, the connection aggregator is required to send an opt-in  
3 disclosure notice to the contributor that must be affirmatively  
4 responded to by the contributor to complete the transaction. The opt-  
5 in disclosure notice must ask the contributor to affirmatively agree  
6 with the following statements:

7 (i) I am a United States citizen or lawfully permanent resident of  
8 the United States and will be at least eighteen years old by election  
9 day;

10 (ii) I am an authorized user of this account and I have not  
11 contributed more than fifty dollars via text message to this campaign;  
12 and

13 (iii) This contribution is made from me as an individual and is not  
14 made from funds from a corporation, labor organization, bank, or  
15 political action committee;

16 (b) No individual may make and no individual or political committee  
17 may accept any contribution made via text message that exceeds ten  
18 dollars;

19 (c) A candidate's authorized committee may not accept more than  
20 fifty dollars in contributions through text message from an individual  
21 phone number per election cycle;

22 (d) Political committees organized in support of or in opposition  
23 to a given ballot proposition may not accept more than fifty dollars in  
24 contributions via text message from an individual phone number per  
25 election campaign;

26 (e) A continuing political committee may not accept more than fifty  
27 dollars in contributions via text message from an individual phone  
28 number per calendar year; and

29 (f) All contributions received via text message are subject to  
30 disclosure to the commission under RCW 42.17A.235(3) and  
31 42.17A.240(2)(d).

32 (2) A candidate, the candidate's authorized committee, or a  
33 political committee organized in support of or in opposition to a  
34 ballot proposition may enter into an agreement with the connection  
35 aggregator on terms that are consistent with the ordinary course of  
36 business.

37 (3) A candidate or authorized committee must receive all text



1 message contributions through a single common short code per election  
2 cycle.

3 (4) A political committee organized in support of or in opposition  
4 to a ballot proposition must receive all text message contributions  
5 through a single common short code per election campaign.

6 (5) A continuing political committee must receive all text message  
7 contributions through a single common short code per calendar year.

8 NEW SECTION. **Sec. 10.** Sections 2 through 8 of this act take  
9 effect January 31, 2015.

--- END ---