
SUBSTITUTE SENATE BILL 5409

State of Washington

64th Legislature

2015 Regular Session

By Senate Government Operations & Security (originally sponsored by Senators Roach, Rivers, Angel, and Benton)

READ FIRST TIME 02/19/15.

1 AN ACT Relating to the use of credit cards for campaign
2 expenditures; amending RCW 42.17A.240, 42.17A.425, and 42.17A.445;
3 and reenacting and amending RCW 42.17A.210.

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

5 **Sec. 1.** RCW 42.17A.210 and 2010 c 205 s 2 and 2010 c 204 s 403
6 are each reenacted and amended to read as follows:

7 (1) Each candidate, within two weeks after becoming a candidate,
8 and each political committee, at the time it is required to file a
9 statement of organization, shall designate and file with the
10 commission the name and address of one legally competent individual,
11 who may be the candidate, to serve as a treasurer.

12 (2) A candidate, a political committee, or a treasurer may
13 appoint as many deputy treasurers as is considered necessary and
14 shall file the names and addresses of the deputy treasurers with the
15 commission.

16 (3)(a) A candidate or political committee may at any time remove
17 a treasurer or deputy treasurer.

18 (b) In the event of the death, resignation, removal, or change of
19 a treasurer or deputy treasurer, the candidate or political committee
20 shall designate and file with the commission the name and address of
21 any successor.

1 (4) No treasurer or deputy treasurer may be deemed to be in
2 compliance with the provisions of this chapter until his or her name
3 and address is filed with the commission.

4 (5) Each candidate must declare whether he or she will use a
5 credit card for campaign expenditures on the day the treasurer is
6 designated pursuant to subsection (1) of this section or twenty-four
7 hours after first utilizing a credit card for campaign expenditures.

8 **Sec. 2.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
9 read as follows:

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

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

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

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

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

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

32 (d) The money value of contributions of postage shall be the face
33 value of the postage;

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

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

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

4 (6) The name and address of each person to whom an expenditure
5 was made in the aggregate amount of more than fifty dollars during
6 the period covered by this report, the amount, date, method of
7 payment, and purpose of each expenditure, and the total sum of all
8 expenditures. When an expenditure is a reimbursement for an out-of-
9 pocket expense, including expenditures made by credit card, the
10 report must also include the amount, date, method of payment, and
11 purpose of the original expenditure that is being reimbursed;

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

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

23 (9) The credit card balance for campaign expenditures paid during
24 the period and sources of funds used to pay the credit card balance,
25 which shall be reported under this subsection in addition to what is
26 required to be reported under subsection (8) of this section;

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

28 ~~((+10))~~ (11) The disposition made in accordance with RCW
29 42.17A.430 of any surplus funds; and

30 ~~((+11))~~ (12) Any other information required by the commission by
31 rule in conformance with the policies and purposes of this chapter.

32 **Sec. 3.** RCW 42.17A.425 and 2010 c 204 s 605 are each amended to
33 read as follows:

34 (1) No expenditures may be made or incurred by any candidate or
35 political committee unless authorized by the candidate or the person
36 or persons named on the candidate's or committee's registration form.
37 A record of all such expenditures shall be maintained by the
38 treasurer.

1 (2) No expenditure of more than fifty dollars may be made in
2 currency unless a receipt, signed by the recipient and by the
3 candidate or treasurer, is prepared and made a part of the campaign's
4 or political committee's financial records.

5 (3) Candidates and their authorized committees may not make any
6 expenditure by credit card unless the credit card statements
7 reflecting the charges and subsequent payments related to those
8 charges are made part of the committee's books of account under RCW
9 42.17A.235(4). If a candidate makes a documented out-of-pocket
10 campaign expenditure by credit card, the candidate's authorized
11 committee must repay the candidate within twenty-one days of the
12 expenditure or the candidate will be deemed to have made a loan to
13 his or her campaign subject to the limits in RCW 42.17A.445. Payment
14 by a third party for any portion of a candidate's credit card balance
15 incurred for campaign expenditures is an in-kind contribution to the
16 candidate, subject to applicable contribution limits and disclosure
17 requirements. The candidate and his or her authorized committee must
18 timely and accurately report these credit card payments and in-kind
19 contributions.

20 **Sec. 4.** RCW 42.17A.445 and 2010 c 204 s 608 are each amended to
21 read as follows:

22 Contributions received and reported in accordance with RCW
23 42.17A.220 through 42.17A.240 and 42.17A.425 may only be paid to a
24 candidate, or a treasurer or other individual or expended for such
25 individual's personal use under the following circumstances:

26 (1) Reimbursement for or payments to cover lost earnings incurred
27 as a result of campaigning or services performed for the political
28 committee. Lost earnings shall be verifiable as unpaid salary, or
29 when the individual is not salaried, as an amount not to exceed
30 income received by the individual for services rendered during an
31 appropriate, corresponding time period. All lost earnings incurred
32 shall be documented and a record shall be maintained by the candidate
33 or the candidate's authorized committee in accordance with RCW
34 42.17A.235.

35 (2) Reimbursement for direct out-of-pocket election campaign and
36 postelection campaign related expenses made by the individual. To
37 receive reimbursement from the political committee, the individual
38 shall provide the political committee with written documentation as
39 to the amount, date, and description of each expense, and the

1 political committee shall include a copy of such information when its
2 expenditure for such reimbursement is reported pursuant to RCW
3 42.17A.240.

4 (3) Repayment of loans made by the individual to political
5 committees shall be reported pursuant to RCW 42.17A.240. However,
6 contributions may not be used to reimburse a candidate for loans
7 totaling more than (~~four thousand seven~~) five thousand five hundred
8 dollars made by the candidate to the candidate's own authorized
9 committee. If a candidate makes a documented out-of-pocket campaign
10 expenditure by credit card and the candidate's authorized committee
11 fails to repay the candidate within twenty-one days of the
12 expenditure, the candidate has made a loan subject to the limits in
13 this subsection.

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