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**SENATE BILL 5791**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senators Braun, Palumbo, Miloscia, Rivers, Zeiger, Padden, and Wilson

AN ACT Relating to improving the accountability and efficiency of the public disclosure commission's operations and requirements; amending RCW 42.17A.240, 42.17A.100, and 42.17A.320; adding a new section to chapter 42.17A RCW; and repealing RCW 42.17A.420.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Sec.**  RCW 42.17A.100 and 2010 c 204 s 301 are each amended to read as follows:

(1) The public disclosure commission is established. Effective July 31, 2017, the terms of all existing commission members are terminated. Beginning August 1, 2017, the commission shall be composed of five members ((~~appointed by the governor, with the consent of the senate~~)) as provided in this subsection.

(a) The two largest caucuses in the senate and the two largest caucuses in the house of representatives shall each appoint one voting member to the commission by September 1, 2017.

(b) No later than January 1, 2018, the four appointed members, by an affirmative vote of at least three, shall appoint the fifth member, who shall act as the commission's chair. If by January 1, 2018, three of the four voting members fail to elect a chair, the chair position must rotate among the appointed members annually, in the order of their appointment and concluding when a fifth member is agreed upon as provided in this subsection.

(c) A vacancy in a position appointed under (a) of this subsection shall be filled by the person who made the initial appointment, or that person's successor, within three months after the vacancy occurs. A vacancy of the chair elected under (b) of this subsection shall be filled by an affirmative vote of at least three of the appointed members. If, within three months of a vacancy in the position of chair, three of the four voting members fail to elect a chair, the chair position must rotate among the appointed members annually, in the order of their appointment and concluding when a fifth member is agreed upon as provided in this subsection.

(d) All appointees shall be persons of the highest integrity and qualifications.

(e) No more than three members shall have an identification with the same political party.

(2) The term of each member shall be ((~~five~~)) four years. No member is eligible for appointment to more than one full term. ((~~Any member may be removed by the governor, but only upon grounds of neglect of duty or misconduct in office.~~))

(3) During his or her tenure, a member of the commission is prohibited from engaging in any of the following activities, either within or outside the state of Washington:

(a) Holding or campaigning for elective office;

(b) Serving as an officer of any political party or political committee;

(c) Permitting his or her name to be used in support of or in opposition to a candidate or proposition;

(d) Soliciting or making contributions to a candidate or in support of or in opposition to any candidate or proposition;

(e) Participating in any way in any election campaign; or

(f) Lobbying, employing, or assisting a lobbyist, except that a member or the staff of the commission may lobby to the limited extent permitted by RCW 42.17A.635 on matters directly affecting this chapter.

(4) ((~~A vacancy on the commission shall be filled within thirty days of the vacancy by the governor, with the consent of the senate, and the appointee shall serve for the remaining term of his or her predecessor. A vacancy shall not impair the powers of the remaining members to exercise all of the powers of the commission.~~

~~(5)~~)) Three members of the commission shall constitute a quorum. The commission shall ((~~elect its own chair and~~)) adopt its own rules of procedure in the manner provided in chapter 34.05 RCW.

((~~(6)~~)) (5) Members shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for travel expenses incurred while engaged in the business of the commission as provided in RCW 43.03.050 and 43.03.060. The compensation provided pursuant to this section shall not be considered salary for purposes of the provisions of any retirement system created under the laws of this state.

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

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

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

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

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

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

(d) A statement, including the commission's current web site address, informing the public that more information can be found by visiting the commission's web site.

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

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

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

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

(4) In an independent expenditure or electioneering communication transmitted via television or other medium that includes a visual image, the following statement must either be clearly spoken, or appear in print and be visible for at least four seconds, appear in letters greater than four percent of the visual screen height, and have a reasonable color contrast with the background: "No candidate authorized this ad. Paid for by (name, city, state)." If the advertisement or communication is undertaken by a nonindividual other than a party organization, then the following notation must also be included: "Top Five Contributors" followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period preceding the date on which the advertisement is initially published or otherwise presented to the public. Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.

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

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

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

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

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

(1) Treasurers shall prepare and deliver to the commission a special report when a contribution or aggregate of contributions totals ten thousand dollars or more, is from a single person or entity, and is received during a special reporting period.

(2) A political committee shall prepare and deliver to the commission a special report when it receives a contribution or an aggregate of contributions from a single entity that totals ten thousand dollars or more during a special reporting period.

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

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

(a) The period sixty days before a primary or general election; and

(b) An aggregate of contributions includes only those contributions received from a single entity during any one special reporting period or made by the contributing political committee to a single entity during any one special reporting period.

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

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

(b) The special report required of a contribution recipient under subsection (1) of this section shall be delivered to the commission within twenty-four hours of the time, or on the first working day after: The contribution of ten thousand dollars or more is received by the candidate or treasurer; the aggregate received by the candidate or treasurer first equals one thousand dollars or more; or any subsequent contribution from the same source is received by the candidate or treasurer.

(c) The special report required of a recipient under subsection (2) of this section or RCW 42.17A.625 must be delivered to the commission, and the candidate or political committee to whom the contribution or contributions are made, within twenty-four hours of the time, or on the first working day after: The contribution is made; the aggregate of contributions made first equals ten thousand dollars or more; or any subsequent contribution to the same person or entity is made.

(7) The special report must include:

(a) The amount of the contribution or contributions;

(b) The date or dates of receipt;

(c) The name and address of the donor;

(d) The name and address of the recipient; and

(e) Any other information the commission may by rule require.

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

(9) The commission shall prepare daily a summary of the special reports made under this section and RCW 42.17A.625.

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

NEW SECTION. **Sec.**  RCW 42.17A.420 (Reportable contributions—Preelection limitations) and 2010 c 204 s 604 are each repealed.

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