

SSB 5108 - S AMD 512
By Senator Billig

ADOPTED 02/09/2018

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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