

SSB 5533 - S AMD 118

By Senator Billig

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

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4 NEW SECTION. **Sec. 1.** The legislature finds that the public has
5 the right to know who is contributing to election campaigns in
6 Washington state and that campaign finance disclosure deters
7 corruption, increases public confidence in Washington state
8 elections, and strengthens 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 campaign finance system. Both passed with over
13 seventy-two percent of the popular vote, as well as winning margins
14 in every county in the state.

15 The legislature finds that nonprofit organizations are
16 increasingly engaging in campaign activities in Washington state and
17 across the country, including taking a more active role in
18 contributing to candidate and ballot proposition campaigns. In some
19 cases, these activities are occurring without adequate public
20 disclosure due to loopholes in campaign finance regulations.

21 The legislature finds that nonprofit organizations may form
22 political committees using the funds contributed only by those
23 members wishing to further the organization's campaign activity.
24 However, many members of nonprofit organizations wish to use the
25 provisions of current law to anonymously contribute to campaign
26 activity, frustrating the purposes of public disclosure laws.

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1 Therefore, the legislature intends to increase transparency and
2 accountability, deter corruption, and strengthen confidence in the
3 election process by closing campaign finance disclosure loopholes
4 and requiring the disclosure of contributions and expenditures by
5 nonprofit organizations that participate significantly in Washington
6 state elections.

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8 NEW SECTION. **Sec. 2.** This act may be known and cited as the
9 democracy is strengthened by casting light on spending in elections
10 act of 2017 or the Washington state DISCLOSE act of 2017.

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

14 The definitions in this section apply throughout this chapter
15 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

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

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

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

23 (b) Announces publicly or files for office;

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

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

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

32 (9) "Commercial advertiser" means any person who sells the
33 service of communicating messages or producing printed material for
34 broadcast or distribution to the general public or segments of the

1 general public whether through the use of newspapers, magazines,
2 television and radio stations, billboard companies, direct mail
3 advertising companies, printing companies, or otherwise.

4 (10) "Commission" means the agency established under RCW
5 42.17A.100.

6 (11) "Compensation" unless the context requires a narrower
7 meaning, includes payment in any form for real or personal property
8 or services of any kind. For the purpose of compliance with RCW
9 42.17A.710, "compensation" does not include per diem allowances or
10 other payments made by a governmental entity to reimburse a public
11 official for expenses incurred while the official is engaged in the
12 official business of the governmental entity.

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

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

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

21 (ii) An expenditure made by a person in cooperation,
22 consultation, or concert with, or at the request or suggestion of, a
23 candidate, a political committee, the person or persons named on the
24 candidate's or committee's registration form who direct expenditures
25 on behalf of the candidate or committee, or their agents;

26 (iii) The financing by a person of the dissemination,
27 distribution, or republication, in whole or in part, of broadcast,
28 written, graphic, or other form of political advertising or
29 electioneering communication prepared by a candidate, a political
30 committee, or its authorized agent;

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

34 (b) "Contribution" does not include:

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

3 (ii) Ordinary home hospitality;

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

8 (iv) A news item, feature, commentary, or editorial in a
9 regularly scheduled news medium that is of primary interest to the
10 general public, that is in a news medium controlled by a person
11 whose business is that news medium, and that is not controlled by a
12 candidate or a political committee;

13 (v) An internal political communication primarily limited to the
14 members of or contributors to a political party organization or
15 political committee, or to the officers, management staff, or
16 stockholders of a corporation or similar enterprise, or to the
17 members of a labor organization or other membership organization;

18 (vi) The rendering of personal services of the sort commonly
19 performed by volunteer campaign workers, or incidental expenses
20 personally incurred by volunteer campaign workers not in excess of
21 fifty dollars personally paid for by the worker. "Volunteer
22 services," for the purposes of this subsection, means services or
23 labor for which the individual is not compensated by any person;

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

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

31 (A) A political party or caucus political committee if the
32 person paying for the services is the regular employer of the person
33 rendering such services; or

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1 (B) A candidate or an authorized committee if the person paying
2 for the services is the regular employer of the individual rendering
3 the services and if the services are solely for the purpose of
4 ensuring compliance with state election or public disclosure laws;
5 or

6 (ix) The performance of ministerial functions by a person on
7 behalf of two or more candidates or political committees either as
8 volunteer services defined in (b)(vi) of this subsection or for
9 payment by the candidate or political committee for whom the
10 services are performed as long as:

11 (A) The person performs solely ministerial functions;

12 (B) A person who is paid by two or more candidates or political
13 committees is identified by the candidates and political committees
14 on whose behalf services are performed as part of their respective
15 statements of organization under RCW 42.17A.205; and

16 (C) The person does not disclose, except as required by law, any
17 information regarding a candidate's or committee's plans, projects,
18 activities, or needs, or regarding a candidate's or committee's
19 contributions or expenditures that is not already publicly available
20 from campaign reports filed with the commission, or otherwise engage
21 in activity that constitutes a contribution under (a)(ii) of this
22 subsection.

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

28 (c) Contributions other than money or its equivalent are deemed
29 to have a monetary value equivalent to the fair market value of the
30 contribution. Services or property or rights furnished at less than
31 their fair market value for the purpose of assisting any candidate
32 or political committee are deemed a contribution. Such a
33 contribution must be reported as an in-kind contribution at its fair
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1 market value and counts towards any applicable contribution limit of
2 the provider.

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

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

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

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

18 (18) "Election cycle" means the period beginning on the first
19 day of January after the date of the last previous general election
20 for the office that the candidate seeks and ending on December 31st
21 after the next election for the office. In the case of a special
22 election to fill a vacancy in an office, "election cycle" means the
23 period beginning on the day the vacancy occurs and ending on
24 December 31st after the special election.

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

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

31 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
32 otherwise published within sixty days before any election for that
33 office in the jurisdiction in which the candidate is seeking
34 election; and

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

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

6 (i) Usual and customary advertising of a business owned by a
7 candidate, even if the candidate is mentioned in the advertising
8 when the candidate has been regularly mentioned in that advertising
9 appearing at least twelve months preceding his or her becoming a
10 candidate;

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

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

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

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

20 (C) Not a medium controlled by a candidate or a political
21 committee;

22 (iv) Slate cards and sample ballots;

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

27 (vi) Public service announcements;

28 (vii) A mailed internal political communication primarily
29 limited to the members of or contributors to a political party
30 organization or political committee, or to the officers, management
31 staff, or stockholders of a corporation or similar enterprise, or to
32 the members of a labor organization or other membership
33 organization;

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

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

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

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

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

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

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

1 sister of the individual's spouse or domestic partner and the spouse
2 or the domestic partner of any such person.

3 (25)(a) "Incidental committee" means any nonprofit organization
4 not otherwise defined as a political committee but that may
5 incidentally make a contribution or an expenditure in support of, or
6 opposition to, any candidate or any ballot proposition in
7 Washington, directly or through a political committee.

8 (b) "Incidental committee" does not include:

9 (i) Any organization registered under section 527 of the
10 internal revenue code of 1986 that files disclosure reports with the
11 public disclosure commission, disclosure reports with the federal
12 elections commission, or public quarterly, semiannual, or monthly
13 filings with the internal revenue service; or

14 (ii) Any organization that files a lobbyist registration form in
15 Washington state that includes the information required by RCW
16 42.17A.600(1)(i). The organization must file the registration form
17 electronically when an electronic filing method is available. The
18 organization must update the information required by RCW
19 42.17A.600(1)(i) within sixty days before any primary, general, or
20 special election if the organization has made or expects to make
21 more than twenty-five thousand dollars in contributions that
22 calendar year and according to the schedule for contribution and
23 expenditure reports under RCW 42.17A.235(2) if there are any changes
24 to the information required by RCW 42.17A.600(1)(i) within thirty
25 days before an election.

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

28 ~~((26))~~ (27) "Independent expenditure" means an expenditure
29 that has each of the following elements:

30 (a) It is made in support of or in opposition to a candidate for
31 office by a person who is not (i) a candidate for that office, (ii)
32 an authorized committee of that candidate for that office, (iii) a
33 person who has received the candidate's encouragement or approval to
34 make the expenditure, if the expenditure pays in whole or in part

1 for political advertising supporting that candidate or promoting the
2 defeat of any other candidate or candidates for that office, or (iv)
3 a person with whom the candidate has collaborated for the purpose of
4 making the expenditure, if the expenditure pays in whole or in part
5 for political advertising supporting that candidate or promoting the
6 defeat of any other candidate or candidates for that office;

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

11 (c) The expenditure, alone or in conjunction with another
12 expenditure or other expenditures of the same person in support of
13 or opposition to that candidate, has a value of eight hundred
14 dollars or more. A series of expenditures, each of which is under
15 eight hundred dollars, constitutes one independent expenditure if
16 their cumulative value is eight hundred dollars or more.

17 (~~(+27)~~) (28)(a) "Intermediary" means an individual who
18 transmits a contribution to a candidate or committee from another
19 person unless the contribution is from the individual's employer,
20 immediate family, or an association to which the individual belongs.

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

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

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

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

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1 (~~(+29+)~~) (30) "Legislative office" means the office of a member
2 of the state house of representatives or the office of a member of
3 the state senate.

4 (~~(+30+)~~) (31) "Lobby" and "lobbying" each mean attempting to
5 influence the passage or defeat of any legislation by the
6 legislature of the state of Washington, or the adoption or rejection
7 of any rule, standard, rate, or other legislative enactment of any
8 state agency under the state administrative procedure act, chapter
9 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's
10 or other organization's act of communicating with the members of
11 that association or organization.

12 (~~(+31+)~~) (32) "Lobbyist" includes any person who lobbies either
13 in his or her own or another's behalf.

14 (~~(+32+)~~) (33) "Lobbyist's employer" means the person or persons
15 by whom a lobbyist is employed and all persons by whom he or she is
16 compensated for acting as a lobbyist.

17 (~~(+33+)~~) (34) "Ministerial functions" means an act or duty
18 carried out as part of the duties of an administrative office
19 without exercise of personal judgment or discretion.

20 (~~(+34+)~~) (35) "Participate" means that, with respect to a
21 particular election, an entity:

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

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

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

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

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

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

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

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

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

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

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

32 ~~((40))~~ (41) "Public record" has the definition in RCW
33 42.56.010.

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1 (~~(41)~~) (42) "Recall campaign" means the period of time
2 beginning on the date of the filing of recall charges under RCW
3 29A.56.120 and ending thirty days after the recall election.

4 (~~(42)~~) (43)(a) "Sponsor" for purposes of an electioneering
5 communications, independent expenditures, or political advertising
6 means the person paying for the electioneering communication,
7 independent expenditure, or political advertising. If a person acts
8 as an agent for another or is reimbursed by another for the payment,
9 the original source of the payment is the sponsor.

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

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

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

19 (~~(43)~~) (44) "Sponsored committee" means a committee, other
20 than an authorized committee, that has one or more sponsors.

21 (~~(44)~~) (45) "State office" means state legislative office or
22 the office of governor, lieutenant governor, secretary of state,
23 attorney general, commissioner of public lands, insurance
24 commissioner, superintendent of public instruction, state auditor,
25 or state treasurer.

26 (~~(45)~~) (46) "State official" means a person who holds a state
27 office.

28 (~~(46)~~) (47) "Surplus funds" mean, in the case of a political
29 committee or candidate, the balance of contributions that remain in
30 the possession or control of that committee or candidate subsequent
31 to the election for which the contributions were received, and that
32 are in excess of the amount necessary to pay remaining debts
33 incurred by the committee or candidate with respect to that
34 election. In the case of a continuing political committee, "surplus

1 funds" mean those contributions remaining in the possession or
2 control of the committee that are in excess of the amount necessary
3 to pay all remaining debts when it makes its final report under RCW
4 42.17A.255.

5 ~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the
6 individuals appointed by a candidate or political committee,
7 pursuant to RCW 42.17A.210, to perform the duties specified in that
8 section.

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

12 (1) The commission shall provide a link on its web site to a
13 searchable database on the web site of the federal election
14 commission containing information on organizations under section 527
15 of the internal revenue code of 1986.

16 (2) The commission shall ensure that individual entries in
17 contribution reports published on the commission's web site link to
18 the lobbying disclosure reports of specific contributors, where the
19 contributor has filed a lobbying disclosure report.

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21 NEW SECTION. **Sec. 5.** A new section is added to chapter 42.17A
22 RCW to read as follows:

23 (1)(a) An incidental committee must file a statement of
24 organization with the commission within two weeks after the date the
25 committee first:

26 (i) Has the expectation of making contributions, other than in-
27 kind contributions of staff time and office-related equipment,
28 resources, and rent to an affiliated committee, or expenditures of
29 at least twenty-five thousand dollars in a calendar year in any
30 election campaign, or to a political committee or an incidental
31 committee; and

32 (ii) Must disclose a received contribution under RCW
33 42.17A.240(2)(d).

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

5 (c) An incidental committee that does not make contributions or
6 expenditures in the amounts specified in (a) of this subsection is
7 not required to file a statement of organization with the
8 commission.

9 (2) The statement of organization shall include but not be
10 limited to:

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

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

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

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

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

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

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

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33 **Sec. 6.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to
34 read as follows:

1 (1) In addition to the information required under RCW 42.17A.205
2 and 42.17A.210, on the day the treasurer is designated, each
3 candidate or political committee must file with the commission a
4 report of all contributions received and expenditures made prior to
5 that date, if any. In addition to the information required under RCW
6 42.17A.205 and 42.17A.210, on the day an incidental committee files
7 a statement of organization with the commission, each incidental
8 committee must file with the commission a report of any expenditures
9 under RCW 42.17A.240(6), as well as the ten largest aggregate
10 contributions received in the current calendar year from a single
11 person of ten thousand dollars or greater, including any persons
12 tied as the tenth largest source of contributions received, if any,
13 and all aggregate contributions received in the current calendar
14 year from a single person with a value of one hundred thousand
15 dollars or greater.

16 (2) Each treasurer of a political committee or incidental
17 committee required to file a statement of organization under this
18 chapter shall file with the commission a report containing the
19 information required by RCW 42.17A.240 at the following intervals:

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

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

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

25 (i) For a political committee, only if the committee has
26 received a contribution or made an expenditure in the preceding
27 calendar month and either the total contributions received or total
28 expenditures made since the last such report exceed two hundred
29 dollars; or

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

31 (A) Received a contribution that would change the information
32 required under RCW 42.17A.240(2)(d) as included in its last report;
33 or

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

4 The report filed twenty-one days before the election shall
5 report all contributions received and expenditures made as of the
6 end of one business day before the date of the report. The report
7 filed seven days before the election shall report all contributions
8 received and expenditures made as of the end of one business day
9 before the date of the report. Reports filed on the tenth day of the
10 month shall report all contributions received and expenditures made
11 from the closing date of the last report filed through the last day
12 of the month preceding the date of the current report.

13 (3) For the period beginning the first day of the fourth month
14 preceding the date of the special election, or for the period
15 beginning the first day of the fifth month before the date of the
16 general election, and ending on the date of that special or general
17 election, each Monday the treasurer of a political committee shall
18 file with the commission a report of each bank deposit made during
19 the previous seven calendar days. The report shall contain the name
20 of each person contributing the funds and the amount contributed by
21 each person. However, persons who contribute no more than twenty-
22 five dollars in the aggregate are not required to be identified in
23 the report. A copy of the report shall be retained by the treasurer
24 for his or her records. In the event of deposits made by a deputy
25 treasurer, the copy shall be forwarded to the treasurer for his or
26 her records. Each report shall be certified as correct by the
27 treasurer or deputy treasurer making the deposit.

28 (4)(a) The treasurer or candidate of a political committee shall
29 maintain books of account accurately reflecting all contributions
30 and expenditures on a current basis within five business days of
31 receipt or expenditure. During the eight days immediately preceding
32 the date of the election the books of account shall be kept current
33 within one business day. As specified in the committee's statement
34 of organization filed under RCW 42.17A.205, the books of account

1 must be open for public inspection by appointment at the designated
2 place for inspections between 8:00 a.m. and 8:00 p.m. on any day
3 from the eighth day immediately before the election through the day
4 immediately before the election, other than Saturday, Sunday, or a
5 legal holiday. It is a violation of this chapter for a candidate or
6 political committee to refuse to allow and keep an appointment for
7 an inspection to be conducted during these authorized times and
8 days. The appointment must be allowed at an authorized time and day
9 for such inspections that is within twenty-four hours of the time
10 and day that is requested for the inspection.

11 (b) At the time of making the appointment, a person wishing to
12 inspect the books of account must provide the treasurer the name and
13 telephone number of the person wishing to inspect the books of
14 account. The person inspecting the books of account must show photo
15 identification before the inspection begins.

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

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

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

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

31 (8) When there is no outstanding debt or obligation, the
32 campaign fund is closed, and the campaign is concluded in all
33 respects or in the case of a political committee, the committee has
34 ceased to function and has dissolved, the treasurer shall file a

1 final report. Upon submitting a final report, the duties of the
2 treasurer shall cease and there is no obligation to make any further
3 reports.

4 (9) By December 31, 2017, the commission shall adopt rules for
5 the dissolution of incidental committees.

6
7 **Sec. 7.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
8 read as follows:

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

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

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

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

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

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

31 (d) Contributions received by an incidental committee from any
32 one person need not be reported unless:

33 (i) The person is one of the committee's ten largest sources of
34 contributions received, including any persons tied as the tenth

1 largest source of contributions received, during the current
2 calendar year, and the value of the aggregate contributions received
3 from that person during the current calendar year is ten thousand
4 dollars or greater; or

5 (ii) The person contributed one hundred thousand dollars or more
6 to the incidental committee during the current calendar year;

7 (e) The commission may suspend or modify reporting requirements
8 for contributions received by an incidental committee in cases of
9 manifestly unreasonable hardship under RCW 42.17A.120; and

10 (f) The money value of contributions of postage ((shall be)) is
11 the face value of the postage;

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

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

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

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

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

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

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

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

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

11
12 NEW SECTION. **Sec. 8.** If any provision of this act or its
13 application to any person or circumstance is held invalid, the
14 remainder of the act or the application of the provision to other
15 persons or circumstances is not affected.

16
17 SSB 5533 S AMD

18 By Senator Billig

19 On page 1, line 1 of the title, after "Relating to" strike the
20 remainder of the title and insert "increasing transparency of
21 contributions by creating the Washington state DISCLOSE act of 2017;
22 amending RCW 42.17A.235 and 42.17A.240; reenacting and amending RCW
23 42.17A.005; adding new sections to chapter 42.17A RCW; and creating
24 new sections.

EFFECT: 1. Removes prohibition on contributions in
gubernatorial races by entities that collectively bargain with the
Governor's office.

2. Removes prohibition on independent expenditures in
gubernatorial races by any political committee unless contributions
to the committee by entities that collectively bargain with the
Governor's office are segregated.

3. Removes referendum clause.

4. Requires nonprofit organizations receiving contributions or
making expenditures in aggregate of more than \$25,000 in Washington

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elections, which also receive a contribution from a single source of at least \$10,000, to file statements of organization with the Public Disclosure Commission (PDC), regardless of primary purpose.

5. Requires such nonprofit organizations to disclose to the PDC the ten largest contributors to the organization of over \$10,000, and any contributor of over \$100,000.

6. Requires such nonprofit organizations to update the list of largest contributors when information in the list changes.

7. Requires that the PDC provide a link on its web site to a searchable database of section 527 tax-exempt organizations.

8. Requires that the PDC ensure that individual entries in contribution reports on its web site link to lobbying disclosure reports where applicable.

9. Directs the PDC to undertake rule making for the dissolution of organizations incidentally participating in Washington elections.

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