

ESHB 1379 - S COMM AMD

By Committee on State Government, Tribal Relations & Elections

ADOPTED AS AMENDED 04/15/2019

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 to include the top five contributors
4 under RCW 42.17A.320 or any other provision of this chapter, the
5 sponsor must identify the five persons or entities making the largest
6 contributions to the sponsor in excess of the threshold aggregate
7 value to be considered an independent expenditure under RCW
8 42.17A.005(30)(a)(iv) reportable under this chapter during the
9 twelve-month period preceding the date on which the advertisement is
10 initially to be published or otherwise presented to the public.

11 (2) If one or more of the top five contributors identified under
12 subsection (1) of this section is a political committee, the top
13 three contributors to each of those political committees during the
14 same period must then be identified, and so on, until the individuals
15 or entities other than political committees with the largest
16 aggregate contributions to each political committee identified under
17 subsection (1) of this section have also been identified. The sponsor
18 must identify the three individuals or entities, not including
19 political committees, who made the largest aggregate contributions to
20 any political committee identified under subsection (1) of this
21 section in excess of the threshold aggregate value to be considered
22 an independent expenditure under RCW 42.17A.005(30)(a)(iv) reportable
23 under this chapter during the same period, and the names of those
24 individuals or entities must be displayed in the advertisement
25 alongside the statement "Top Three Donors to PAC Contributors."

26 (3) Contributions to the sponsor or a political committee that
27 are earmarked, tracked, and used for purposes other than the
28 advertisement in question should not be counted in identifying the
29 top five contributors under subsection (1) of this section or the top
30 three contributors under subsection (2) of this section.

31 (4) The sponsor shall not be liable for a violation of this
32 section that occurs because a person making a contribution to any
33 political committee identified under subsection (1) of this section
34 has not reported such contribution to the commission.

35 (5) The commission is authorized to adopt rules, as needed, to
36 prevent ways to circumvent the purposes of the required disclosures
37 in this section to inform voters about the individuals and entities
38 sponsoring political advertisements.

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

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

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

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

22 (b) If the sponsor is a political committee, the statement: "Top
23 Five Contributors," followed by a listing of the names of the five
24 persons (~~or entities~~) making the largest contributions (~~in excess~~
25 ~~of seven hundred dollars reportable under this chapter during the~~
26 ~~twelve-month period before the date of the advertisement or~~
27 ~~communication~~) as determined by section 2(1) of this act; and if
28 necessary, the statement "Top Three Donors to PAC Contributors,"
29 followed by a listing of the names of the three individuals or
30 entities, other than political committees, making the largest
31 aggregated contributions as determined by section 2(2) of this act;
32 and

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

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

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

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

7 (c) Be set apart from any other printed matter. No text may be
8 before, after, or immediately adjacent to the information required by
9 subsections (1) and (2) of this section.

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

36 (5) The following statement shall be clearly spoken in an
37 independent expenditure or electioneering communication transmitted
38 by a method that does not include a visual image: "No candidate
39 authorized this ad. Paid for by (name, city, state)." If the
40 independent expenditure or electioneering communication is undertaken

1 by a nonindividual other than a party organization, then the
2 following statement must also be included: "Top Five Contributors"
3 followed by a listing of the names of the five persons (~~or~~
4 ~~entities~~) making the largest contributions (~~in excess of seven~~
5 ~~hundred dollars reportable under this chapter during the twelve-month~~
6 ~~period preceding the date on which the advertisement is initially~~
7 ~~published or otherwise presented to the public)) as determined by
8 section 2(1) of this act; and if necessary, the statement "Top Three
9 Donors to PAC Contributors," followed by a listing of the names of
10 the three individuals or entities, other than political committees,
11 making the largest aggregate contributions to political committees as
12 determined by section 2(2) of this act. Abbreviations may be used to
13 describe contributing entities if the full name of the entity has
14 been clearly spoken previously during the broadcast advertisement.~~

15 (6) Political advertising costing one thousand dollars or more
16 supporting or opposing ballot measures sponsored by a political
17 committee must include the information on the (~~"Top Five~~
18 ~~Contributors" consistent with subsections (2), (4), and (5) of this~~
19 ~~section~~) top five contributors and top three contributors, other
20 than political committees, as required by section 2 of this act. A
21 series of political advertising sponsored by the same political
22 committee, each of which is under one thousand dollars, must include
23 the (~~"Top Five Contributors" information required by this section~~)
24 top five contributors and top three contributors, other than
25 political committees, as required by section 2 of this act once their
26 cumulative value reaches one thousand dollars or more.

27 (7) Political yard signs are exempt from the requirements of this
28 section that the sponsor's name and address, and (~~"Top Five~~
29 ~~Contributor" information~~) the top five contributors and top three
30 PAC contributors as required by section 2 of this act, be listed on
31 the advertising. In addition, the public disclosure commission shall,
32 by rule, exempt from the identification requirements of this section
33 forms of political advertising such as campaign buttons, balloons,
34 pens, pencils, sky-writing, inscriptions, and other forms of
35 advertising where identification is impractical.

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

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1 On page 1, line 2 of the title, after "committees;" strike the
2 remainder of the title and insert "amending RCW 42.17A.320; adding a
3 new section to chapter 42.17A RCW; and creating a new section."

EFFECT: (1) Requires that the "Top Three Donors to PAC Contributors" disclosure list persons or entities other than political committees.

(2) Clarifies that contributions to a PAC earmarked, tracked, and used for nonadvertisement purposes are not used in identifying the top three donors to PAC contributors.

(3) Defines the threshold value of contributions to be considered a top five or top three contributor as the threshold value to be considered an independent expenditure.

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