

1 **SHB 2986 - H AMD 0281 FAILED 3/2/92**
2 By Representative Ballard

3 On page 1, strike everything after the enacting clause and
4 insert:

5 " PART I
6 FINDINGS AND INTENT

7 NEW SECTION. **Sec. 1.** FINDINGS. The legislature of the state of
8 Washington find and declare that:

9 (1) The financial strength of certain individuals or organizations
10 should not permit them to exercise a disproportionate or controlling
11 influence on the election of candidates.

12 (2) Rapidly increasing political campaign costs have led many
13 candidates to raise larger percentages of money from special interests
14 with a specific financial stake in matters before state government.
15 This has caused the public perception that decisions of elected
16 officials are being improperly influenced by monetary contributions.

17 (3) Candidates are raising less money in small contributions from
18 individuals and more money from special interests. This has created
19 the public perception that individuals have an insignificant role to
20 play in the political process.

1 (3) "Candidate" means an individual seeking nomination for election
2 or seeking election to a state office. An individual is deemed to be
3 seeking nomination for election or seeking election when the individual
4 first:

5 (a) Announces publicly or files for the office;

6 (b) Purchases commercial advertising space or broadcast time to
7 promote his or her candidacy;

8 (c) Receives contributions or makes expenditures for facilities
9 with intent to promote his or her candidacy for the office; or

10 (d) Gives his or her consent to another person to take on behalf of
11 the individual any of the actions in (b) or (c) of this subsection.

12 (4) "Caucus of the state legislature" means the caucus of members
13 of a major political party in the state house of representatives or in
14 the state senate.

15 (5)(a) "Contribution" includes a loan, gift, deposit, subscription,
16 forgiveness of indebtedness, donation, advance, pledge, payment,
17 transfer of funds between political committees, or transfer of anything
18 of value, including personal and professional services for less than
19 full consideration.

20 (b) Subject to further definition by the commission, "contribution"
21 does not include the following:

22 (i) Interest on money deposited in a political committee's account;

23 (ii) Ordinary home hospitality;

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

27 (iv) An expenditure or contribution earmarked for voter
28 registration, for absentee ballot information, for precinct caucuses,
29 for get-out-the-vote campaigns, for precinct judges or inspectors, for

1 sample ballots, or for ballot counting, all without promotion of or
2 political advertising for individual candidates;

3 (v) A news item, feature, commentary, or editorial in a regularly
4 scheduled news medium that is of primary interest to the general
5 public, that is in a news medium controlled by a person whose primary
6 business is that news medium, and that is not controlled by a candidate
7 or political committee;

8 (vi) An expenditure by a political committee for its own internal
9 organization or fund raising without direct association with individual
10 candidates;

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

16 (viii) The rendering of personal services of the sort commonly
17 performed by volunteer campaign workers, or incidental expenses
18 personally incurred by volunteer campaign workers not in excess of
19 fifty dollars personally paid for by the worker. "Volunteer services,"
20 for the purposes of this section, means services or labor for which the
21 individual is not compensated by any person and that are performed
22 outside the individual's normal working hours; or

23 (ix) Legal or accounting services rendered to or on behalf of:

24 (A) A political party or caucus of the state legislature if the
25 person paying for the services is the regular employer of the person
26 rendering such services; or

27 (B) A candidate or an authorized committee if the person paying for
28 the services is the regular employer of the individual rendering the

1 services and if the services are solely for the purpose of ensuring
2 compliance with state election or public disclosure laws.

3 (c) Contributions other than money or its equivalent are deemed to
4 have a monetary value equivalent to the fair market value of the
5 contribution.

6 (d) Sums paid for tickets to fund-raising events such as dinners
7 and parties are contributions, except for the actual cost of the
8 consumables furnished at the event.

9 (e) An expenditure made by a person in cooperation, consultation,
10 or concert with, or at the request or suggestion of, a candidate, a
11 political committee, or their agents, is considered to be a
12 contribution to such candidate or political committee.

13 (f) The financing by a person of the dissemination, distribution,
14 or republication, in whole or in part, of broadcast, written, graphic,
15 or other form of political advertising prepared by a candidate, a
16 political committee, or its authorized agent, is considered to be a
17 contribution to the candidate or political committee.

18 (6) "Election" means a primary or a general or special election in
19 which a candidate is on the ballot.

20 (7) "Election cycle" means the period beginning on the first day of
21 December after the date of the last previous general election for the
22 office that the candidate seeks and ending on November 30th after the
23 next election for the office. In the case of a special election to
24 fill a vacancy in an office, "election cycle" means the period
25 beginning on the day the vacancy occurs and ending on November 30th
26 after the special election.

27 (8) "General election" means the election that results in the
28 election of a person to a state office. It does not include a primary.

1 (9) "Immediate family" means a candidates's spouse, and any child,
2 stepchild, grandchild, parent, stepparent, grandparent, brother, half-
3 brother, sister, or half-sister of the candidate and the spouse of any
4 such person and any child, stepchild, grandchild, parent, stepparent,
5 grandparent, brother, half-brother, sister, or half-sister of the
6 candidate's spouse and the spouse of any such person.

7 (10) "Independent expenditure" means an "expenditure" as defined in
8 RCW 42.17.020 that has each of the following elements:

9 (a) It is made in support of or in opposition to a candidate for
10 office by a person who is not (i) a candidate for that office, (ii) an
11 authorized committee of that candidate for that office, (iii) a person
12 who has received the candidate's encouragement or approval to make the
13 expenditure, if the expenditure pays in whole or in part for any
14 political advertising supporting that candidate or promoting the defeat
15 of any other candidate or candidates for that office, or (iv) a person
16 with whom the candidate has collaborated for the purpose of making the
17 expenditure, if the expenditure pays in whole or in part for any
18 political advertising supporting that candidate or promoting the defeat
19 of any other candidate or candidates for that office;

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

24 (c) The expenditure, alone or in conjunction with another
25 expenditure or other expenditures of the same person in support of or
26 opposition to that candidate, has a value of five hundred dollars or
27 more. A series of expenditures, each of which is under five hundred
28 dollars, constitutes one independent expenditure if their cumulative
29 value is five hundred dollars or more.

1 (11)(a) "Intermediary" means an individual who transmits a
2 contribution to a candidate or committee from another person unless the
3 contribution is from the individual's employer, immediate family, or an
4 association to which the individual belongs.

5 (b) A treasurer or a candidate is not an intermediary for purpose
6 of the committee that the treasurer or candidate serves.

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

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

12 (12) "Person" includes:

13 (a) An individual;

14 (b) A partnership, limited partnership, public or private
15 corporation, or joint venture;

16 (c) A nonprofit corporation, organization, or association,
17 including but not limited to, a national, state, or local labor union
18 or collective bargaining organization and a national, state, or local
19 trade or professional association;

20 (d) A federal, state, or local governmental entity or agency,
21 however constituted;

22 (e) A candidate, committee, political committee, bona fide
23 political party, or executive committee thereof; and

24 (f) Any other organization or group of persons, however organized.

25 (13) "Primary" means the procedure for nominating a candidate to
26 state office under chapter 29.18 or 29.21 RCW or any other primary for
27 an election which uses, in large measure, the procedures established in
28 chapter 29.18 or 29.21 RCW.

1 (14) "Recall campaign" means the period of time beginning on the
2 date of the filing of recall charges under RCW 29.82.015 and ending
3 thirty days after the recall election.

4 (15) "State legislative office" means the office of a member of the
5 state house of representatives and the office of a member of the state
6 senate.

7 (16) "State office" means state legislative office or the office of
8 governor, lieutenant governor, secretary of state, attorney general,
9 commissioner of public lands, insurance commissioner, superintendent of
10 public instruction, state auditor, or state treasurer.

11 (17) "State official" means a person who holds a state office.

12 PART III

13 CONTRIBUTIONS

14 NEW SECTION. **Sec. 4.** CAMPAIGN CONTRIBUTION LIMITS. (1) No
15 person, other than a bona fide political party or a caucus of the state
16 legislature, may make contributions to a candidate for a state
17 legislative office that in the aggregate exceed five hundred dollars or
18 to a candidate for a state office other than a state legislative office
19 that in the aggregate exceed one thousand dollars for each election in
20 which the candidate is on the ballot or appears as a write-in
21 candidate. Contributions made with respect to a primary may not be
22 made after the date of the primary. Contributions made with respect to
23 a general election may not be made after the final day of the
24 applicable election cycle.

25 (2) No person, other than a bona fide political party or a caucus
26 of the state legislature, may make contributions to a state official
27 against whom recall charges have been filed, or to a political

1 committee having the expectation of making expenditures in support of
2 the recall of the state official, during a recall campaign that in the
3 aggregate exceed five hundred dollars if for a state legislative office
4 or one thousand dollars if for a state office other than a state
5 legislative office.

6 (3)(a) Notwithstanding subsection (1) of this section, no bona fide
7 political party or caucus of the state legislature may make
8 contributions to a candidate during an election cycle that in the
9 aggregate exceed (i) fifty cents multiplied by the number of eligible
10 registered voters in the jurisdiction from which the candidate is
11 elected if the contributor is a caucus of the state legislature or the
12 governing body of a state organization, or (ii) twenty-five cents
13 multiplied by the number of registered voters in the jurisdiction from
14 which the candidate is elected if the contributor is a county central
15 committee or a legislative district committee.

16 (b) No candidate may accept contributions from a county central
17 committee or a legislative district committee during an election cycle
18 that when combined with contributions from other county central
19 committees or legislative district committees would in the aggregate
20 exceed twenty-five cents times the number of registered voters in the
21 jurisdiction from which the candidate is elected.

22 (4)(a) Notwithstanding subsection (2) of this section, no bona fide
23 political party or caucus of the state legislature may make
24 contributions to a state official against whom recall charges have been
25 filed, or to a political committee having the expectation of making
26 expenditures in support of the state official, during a recall campaign
27 that in the aggregate exceed (i) fifty cents multiplied by the number
28 of eligible registered voters in the jurisdiction entitled to recall
29 the state official if the contributor is a caucus of the state

1 legislature of the governing body of a state organization, or (ii)
2 twenty-five cents multiplied by the number of registered voters in the
3 jurisdiction from which the candidate is elected if the contributor is
4 a county central committee or a legislative district committee.

5 (b) No state official against whom recall charges have been filed,
6 no authorized committee of the official, and no political committee
7 having the expectation of making expenditures in support of the recall
8 of a state official may accept contributions from a county central
9 committee or a legislative district committee or a legislative district
10 committee during an election cycle that when combined with
11 contributions from other county central committees or legislative
12 district committees would in the aggregate exceed twenty-five cents
13 multiplied by the number of registered voters in the jurisdiction from
14 which the candidate is elected.

15 (5) Notwithstanding subsections (1) through (4) of this section, no
16 person other than an individual, bona fide political party, or caucus
17 of the state legislature may make contributions reportable under this
18 chapter to a caucus of the state legislature that in the aggregate
19 exceed five hundred dollars in a calendar year or to a bona fide
20 political party that in the aggregate exceed two thousand five hundred
21 dollars in a calendar year. This subsection does not apply to loans
22 made in the ordinary course of business.

23 (6) For the purposes of sections 4 through 19 of this act, a
24 contribution to the authorized political committee of a candidate, or
25 of a state official against whom recall charges have been filed, is
26 considered to be a contribution to the candidate or state official.

27 (7) A contribution received within the twelve-month period after a
28 recall election concerning a state office is considered to be a
29 contribution during that recall campaign if the contribution is used to

1 pay a debt or obligation incurred to influence the outcome of that
2 recall campaign.

3 (8) The contributions allowed by subsection (2) of this section are
4 in addition to those allowed by subsection (1) of this section, and the
5 contributions allowed by subsection (4) of this section are in addition
6 to those allowed by subsection (3) of this section.

7 (9) Sections 4 through 19 of this act apply to a special election
8 conducted to fill a vacancy in a state office. However, the
9 contributions made to a candidate or received by a candidate for a
10 primary or special election conducted to fill such a vacancy shall not
11 be counted toward any of the limitations that apply to the candidate or
12 to contributions made to the candidate for any other primary or
13 election.

14 (10) Notwithstanding the other subsections of this section, no
15 corporation or business entity not doing business in Washington state,
16 no labor union with fewer than ten members who reside in Washington
17 state, and no political committee that has not received contributions
18 of ten dollars or more from at least ten persons registered to vote in
19 Washington state during the preceding one hundred eighty days may make
20 contributions reportable under this chapter to a candidate, to a state
21 official against whom recall charges have been filed, or to a political
22 committee having the expectation of making expenditures in support of
23 the recall of the official. This subsection does not apply to loans
24 made in the ordinary course of business.

25 (11) Notwithstanding the other subsections of this section, no
26 county central committee or legislative district committee may make
27 contributions reportable under this chapter to a candidate, state
28 official against whom recall charges have been filed, or political
29 committee having the expectation of making expenditures in support of

1 the recall of a state official if the county central committee or
2 legislative district committee is outside of the jurisdiction entitled
3 to elect the candidate or recall the state official.

4 (12) No person may accept contributions that exceed the
5 contribution limitations provided in this section.

6 NEW SECTION. **Sec. 5.** ATTRIBUTION AND AGGREGATION OF FAMILY
7 CONTRIBUTIONS. (1) Contributions by a husband and wife are considered
8 separate contributions.

9 (2) Contributions by unemancipated children under eighteen years of
10 age are considered contributions by their parents and are attributed
11 proportionately to each parent. Fifty percent of the contributions are
12 attributed to each parent or, in the case of a single custodial parent,
13 the total amount is attributed to the parent.

14 NEW SECTION. **Sec. 6.** ATTRIBUTION OF CONTRIBUTIONS BY CONTROLLED
15 ENTITIES. For purposes of this chapter:

16 (1) A contribution by a political committee with funds that have
17 all been contributed by one person who exercises exclusive control over
18 the distribution of the funds of the political committee is a
19 contribution by the controlling person.

20 (2) Two or more entities are treated as a single entity if one of
21 the two or more entities is a subsidiary, branch, or department of a
22 corporation or a local unit, branch, or affiliate of a trade
23 association, labor union, or collective bargaining association. All
24 contributions made by a person or political committee whose
25 contribution or expenditure activity is financed, maintained, or
26 controlled by a trade association, labor union, collective bargaining
27 organization, or the local unit of a trade association, labor union, or

1 collective bargaining organization are considered made by the same
2 person or entity.

3 NEW SECTION. **Sec. 7.** ATTRIBUTION OF CONTRIBUTIONS. All
4 contributions made by a person or entity, either directly or
5 indirectly, to a candidate, to a state official against whom recall
6 charges have been filed, or to a political committee, are considered to
7 be contributions from that person or entity to the candidate, state
8 official, or political committee, as are contributions that are in any
9 way earmarked or otherwise directed through an intermediary or conduit
10 to the candidate, state official, or political committee. For the
11 purposes of this section, "earmarked" means a designation, instruction,
12 or encumbrance, whether direct or indirect, expressed or implied, or
13 oral or written, that is intended to result in or does result in all or
14 any part of a contribution being made to a certain candidate or state
15 official. If a conduit or intermediary exercises any direction or
16 control over the choice of the recipient candidate or state official,
17 the contribution is considered to be by both the original contributor
18 and the conduit or intermediary.

19 NEW SECTION. **Sec. 8.** LIMITATIONS ON EMPLOYERS OR LABOR
20 ORGANIZATIONS. (1) No employer or labor organization may increase the
21 salary of an officer or employee, or give an emolument to an officer,
22 employee, or other person or entity, with the intention that the
23 increase in salary, or the emolument, or a part of it, be contributed
24 or spent to support or oppose a candidate, state official against whom
25 recall charges have been filed, political party, or political
26 committee.

1 (2) No employer or labor organization may discriminate against an
2 officer or employee in the terms or conditions of employment for (a)
3 the failure to contribute to, (b) the failure in any way to support or
4 oppose, or (c) in any way supporting or opposing a candidate, ballot
5 proposition, political party, or political committee.

6 (3) No employer or other person or entity responsible for the
7 disbursement of funds in payment of wages or salaries may withhold or
8 divert a portion of an employee's wages or salaries for contributions
9 to political committees or for use as political contributions except
10 upon the written request of the employee. The request must be made on
11 a form prescribed by the commission informing the employee of the
12 prohibition against employer and labor organization discrimination
13 described in subsection (2) of this section. The request is valid for
14 no more than twelve months from the date it is made by the employee.

15 (4) Each person or entity who withholds contributions under
16 subsection (3) of this section shall maintain open for public
17 inspection for a period of no less than three years, during normal
18 business hours, documents and books of accounts that shall include a
19 copy of each employee's request, the amounts and dates funds were
20 actually withheld, and the amounts and dates funds were transferred to
21 a political committee. Copies of such information shall be delivered
22 to the commission upon request.

23 NEW SECTION. **Sec. 9.** CHANGING MONETARY LIMITS. At the beginning
24 of each even-numbered calendar year, the commission shall increase or
25 decrease all dollar amounts in this chapter based on changes in
26 economic conditions as reflected in the inflationary index used by the
27 commission under RCW 42.17.370. The new dollar amounts established by
28 the commission under this section shall be rounded off by the

1 commission to amounts as judged most convenient for public
2 understanding and so as to be within ten percent of the target amount
3 equal to the base amount provided in this chapter multiplied by the
4 increase in the inflationary index since the effective date of this
5 act.

6 NEW SECTION. **Sec. 10.** CONTRIBUTIONS FROM BEFORE EFFECTIVE DATE OF
7 ACT. Contributions made and received before the effective date of this
8 act are considered to be contributions under sections 4 through 19 of
9 this act. Monetary contributions that exceed the contribution
10 limitations and that have not been spent by the recipient of the
11 contribution by the effective date of this act must be disposed of in
12 accordance with RCW 42.17.095.

13 NEW SECTION. **Sec. 11.** TIME LIMIT FOR STATE OFFICIAL TO SOLICIT OR
14 ACCEPT CONTRIBUTIONS. During the period beginning on the thirtieth day
15 before the date a regular legislative session convenes and continuing
16 thirty days past the date of final adjournment, and during the period
17 beginning on the date a special legislative session convenes and
18 continuing through the date that session adjourns, no state official or
19 a person employed by or acting on behalf of a state official or state
20 legislator may solicit or accept contributions to a public office fund,
21 to a candidate or authorized committee, or to retire a campaign debt.

22 NEW SECTION. **Sec. 12.** RESTRICTION ON LOANS. (1) A loan is
23 considered to be a contribution from the maker and the guarantor of the
24 loan and is subject to the contribution limitations of this chapter.

25 (2) A loan to a candidate or the candidate committee must be by
26 written agreement.

- 1 (3) The proceeds of a loan made to a candidate:
2 (a) By a commercial lending institution;
3 (b) Made in the regular course of business;
4 (c) On the same terms ordinarily available to members of the
5 public; and
6 (d) That is secured or guaranteed,
7 are not subject to the contribution limits of this chapter.

8 NEW SECTION. **Sec. 13.** CONTRIBUTIONS ON BEHALF OF ANOTHER. (1) A
9 person, other than an individual, may not be an intermediary or an
10 agent for a contribution.

11 (2) An individual may not make a contribution on behalf of another
12 person or entity, or while acting as the intermediary or agent of
13 another person or entity, without disclosing to the recipient of the
14 contribution both his or her full name, street address, occupation,
15 name of employer, if any, or place of business if self-employed, and
16 the same information for each contributor for whom the individual
17 serves as intermediary or agent.

18 NEW SECTION. **Sec. 14.** CERTAIN CONTRIBUTIONS REQUIRED TO BE BY
19 WRITTEN INSTRUMENT. (1) An individual may not make a contribution of
20 more than fifty dollars, other than an in-kind contribution, except by
21 a written instrument containing the name of the donor and the name of
22 the payee.

23 (2) A committee may not make a contribution, other than in-kind,
24 except by a written instrument containing the name of the donor and the
25 name of the payee.

1 NEW SECTION. **Sec. 15.** SOLICITATION OF CONTRIBUTIONS BY GOVERNMENT
2 EMPLOYEES. (1) No state official or state official's agent may
3 knowingly solicit, directly or indirectly, a contribution from an
4 employee in the state official's agency.

5 (2) No state official or state employee may provide an advantage or
6 disadvantage to an employee or applicant for employment in the
7 classified civil service concerning the applicant's or employee's:

8 (a) Employment;

9 (b) Conditions of employment; or

10 (c) Application for employment,

11 based on the employee's or applicant's contribution or promise to
12 contribute or failure to make a contribution or contribute to a
13 political party or committee.

14 NEW SECTION. **Sec. 16.** AGENCY SHOP FEES AS CONTRIBUTIONS. A labor
15 organization may not use agency shop fees paid by an individual who is
16 not a member of the organization to make contributions or expenditures
17 to influence an election or to operate a political committee, unless
18 affirmatively authorized by the individual.

19 NEW SECTION. **Sec. 17.** SOLICITATION FOR ENDORSEMENT FEES. A
20 person or entity may not solicit from a candidate, committee, political
21 party, or other person or entity money or other property as a condition
22 or consideration for an endorsement, article, or other communication in
23 the news media promoting or opposing a candidate, committee, or
24 political party.

25 NEW SECTION. **Sec. 18.** REIMBURSEMENT FOR CONTRIBUTIONS. A person
26 or entity may not, directly or indirectly, reimburse another person or

1 entity for a contribution to a candidate, committee, or political
2 party.

3 NEW SECTION. **Sec. 19.** PROHIBITION ON USE OF CONTRIBUTIONS FOR A
4 DIFFERENT OFFICE. (1) Except as provided in subsection (2) of this
5 section, a candidate committee may not use or permit the use of
6 contributions solicited for or received by the candidate committee to
7 further the candidacy of the individual for an office other than the
8 office designated on the statement of organization. A contribution
9 solicited for or received on behalf of the candidate is considered
10 solicited or received for the candidacy for which the individual is
11 then a candidate if the contribution is solicited or received before
12 the general elections for which the candidate is a nominee or is
13 unopposed.

14 (2) With the written approval of the contributor, a candidate
15 committee may use or permit the use of contributions solicited for or
16 received by the candidate committee from that contributor to further
17 the candidacy of the individual for an office other than the office
18 designated on the statement of organization.

19 **Sec. 20.** TRANSFER OF FUNDS--USE OF FUNDS FOR OTHER OFFICE
20 ELIMINATED. RCW 42.17.095 and 1982 c 147 s 8 are each amended to read
21 as follows:

22 The surplus funds of a candidate, or of a political committee
23 supporting or opposing a candidate, may only be disposed of in any one
24 or more of the following ways:

25 (1) Return the surplus to a contributor in an amount not to exceed
26 that contributor's original contribution;

1 (2) Transfer the surplus to the candidate's personal account as
2 reimbursement for lost earnings incurred as a result of that
3 candidate's election campaign. Such lost earnings shall be verifiable
4 as unpaid salary or, when the candidate is not salaried, as an amount
5 not to exceed income received by the candidate for services rendered
6 during an appropriate, corresponding time period. All lost earnings
7 incurred shall be documented and a record thereof shall be maintained
8 by the candidate or the candidate's political committee. The committee
9 shall include a copy of such record when its expenditure for such
10 reimbursement is reported pursuant to RCW 42.17.090;

11 (3) Transfer the surplus to (~~one or more candidates or to~~) a
12 political (~~committee or~~) party or to a caucus of the state
13 legislature;

14 (4) Donate the surplus to a charitable organization registered in
15 accordance with chapter 19.09 RCW;

16 (5) Transmit the surplus to the state treasurer for deposit in the
17 general fund; or

18 (6) Hold the surplus in the campaign depository or depositories
19 designated in accordance with RCW 42.17.050 for possible use in a
20 future election campaign(~~(, for political activity, for community~~
21 ~~activity, or for nonreimbursed public office related expenses)) for the
22 same office last sought by the candidate and report any such
23 disposition in accordance with RCW 42.17.090: PROVIDED, That if the
24 candidate subsequently announces or publicly files for office,
25 information as appropriate is reported to the commission in accordance
26 with RCW 42.17.040 through 42.17.090. If a subsequent office is not
27 sought the surplus held shall be disposed of in accordance with the
28 requirements of this section.~~

1 (7) No candidate or authorized committee may transfer funds to any
2 other candidate or other political committee.

3 **Sec. 21.** CANDIDATE PERSONAL FUND LOANS LIMITED. RCW 42.17.125 and
4 1989 c 280 s 12 are each amended to read as follows:

5 Contributions received and reported in accordance with RCW
6 42.17.060 through 42.17.090 may only be transferred to the personal
7 account of a candidate, or of a treasurer or other individual or
8 expended for such individual's personal use under the following
9 circumstances:

10 (1) Reimbursement for or loans to cover lost earnings incurred as
11 a result of campaigning or services performed for the committee. Such
12 lost earnings shall be verifiable as unpaid salary, or when the
13 individual is not salaried, as an amount not to exceed income received
14 by the individual for services rendered during an appropriate,
15 corresponding time period. All lost earnings incurred shall be
16 documented and a record thereof shall be maintained by the individual
17 or the individual's political committee. The committee shall include
18 a copy of such record when its expenditure for such reimbursement is
19 reported pursuant to RCW 42.17.090.

20 (2) Reimbursement for direct out-of-pocket election campaign and
21 postelection campaign related expenses made by the individual. To
22 receive reimbursement from the political committee, the individual
23 shall provide the committee with written documentation as to the
24 amount, date, and description of each expense, and the committee shall
25 include a copy of such information when its expenditure for such
26 reimbursement is reported pursuant to RCW 42.17.090.

27 (3) Repayment of loans made by the individual to political
28 committees, which repayment shall be reported pursuant to RCW

1 42.17.090. However, contributions may not be used to reimburse a
2 candidate for loans totaling more than three thousand dollars made by
3 the candidate to the candidate's own authorized committee or campaign.

4 PART IV

5 INDEPENDENT EXPENDITURES

6 **Sec. 22.** INDEPENDENT EXPENDITURE ADVERTISING DISCLOSURE. RCW
7 42.17.510 and 1984 c 216 s 1 are each amended to read as follows:

8 (1) All written political advertising, whether relating to
9 candidates or ballot propositions, shall include the sponsor's name and
10 address. All radio and television political advertising, whether
11 relating to candidates or ballot propositions, shall include the
12 sponsor's name. The use of an assumed name shall be unlawful. The
13 party with which a candidate files shall be clearly identified in
14 political advertising for partisan office.

15 (2) In addition to the materials required by subsection (1) of this
16 section, all political advertising undertaken as an independent
17 expenditure by a person or entity other than a party organization must
18 include the following statement on the communication "NOTICE TO VOTERS
19 (Required by law): This advertisement is not authorized or approved by
20 any candidate. It is paid for by (name, address, city, state)." If
21 the advertisement is undertaken by a nonindividual, then the following
22 notation must also be included: "Top Five Contributors," followed by
23 a listing of the names of the five persons or entities making the
24 largest contributions reportable under this chapter during the twelve-
25 month period before the date of the advertisement.

26 (3) The statements and listings of contributors required by
27 subsections (1) and (2) of this section shall:

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

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

6 (c) Be in a printed or drawn box set apart from any other printed
7 matter; and

8 (d) Be clearly spoken on any broadcast advertisement.

9 (4) Political yard signs are exempt from the requirement of
10 subsections (1) and (2) of this section that the name and address of
11 the sponsor of political advertising be listed on the advertising. In
12 addition, the public disclosure commission shall, by rule, exempt from
13 the identification requirements of subsections (1) and (2) of this
14 section forms of political advertising such as campaign buttons,
15 balloons, pens, pencils, sky-writing, inscriptions, and other forms of
16 advertising where identification is impractical.

17 (~~(3)~~) (5) For the purposes of this section, "yard sign" means any
18 outdoor sign with dimensions no greater than eight feet by four feet.

19 NEW SECTION. Sec. 23. INDEPENDENT EXPENDITURE DISCLOSURE. A
20 person or entity other than a party organization making an independent
21 expenditure by mailing one thousand or more identical or nearly
22 identical cumulative pieces of political advertising in a single
23 calendar year shall, within two working days after the date of the
24 mailing, file a statement disclosing the number of pieces in the
25 mailing and an example of the mailed political advertising with the
26 election officer of the county or residence for the candidate supported
27 or opposed by the independent campaign expenditure or, in the case of
28 an expenditure made in support of or in opposition to a ballot

1 proposition, the county of residence for the person making the
2 expenditure.

3 PART V

4 USE OF PUBLIC FUNDS OR OFFICE FOR POLITICAL PURPOSES

5 NEW SECTION. **Sec. 24.** Public funds, whether derived through
6 taxes, fees, penalties, or any other sources, shall not be used to
7 finance political campaigns for state or local office.

8 NEW SECTION. **Sec. 25.** FRANKING PRIVILEGE LIMITED. During the
9 twelve-month period preceding the expiration of a state legislator's
10 term in office, no incumbent to that office may mail to a constituent
11 at public expense a letter, newsletter, brochure, or other piece of
12 literature that is not in direct response to that constituent's request
13 for a response or for information. However, one mailing mailed within
14 thirty days after the start of a regular legislative session and one
15 mailing mailed within sixty days after the end of a regular legislative
16 session of identical newsletters to constituents are permitted. A
17 violation of this section constitutes use of the facilities of a public
18 office for the purpose of assisting a campaign under RCW 42.17.130.

19 The house of representatives and senate shall specifically limit
20 expenditures per member for the total cost of mailings, including but
21 not limited to production costs, printing costs, and postage.

22 **Sec. 26.** STATE PAYROLL POLITICAL CHECK-OFF ELIMINATED. RCW
23 41.04.230 and 1988 c 107 s 19 are each amended to read as follows:

24 Any official of the state authorized to disburse funds in payment
25 of salaries and wages of public officers or employees is authorized,

1 upon written request of the officer or employee, to deduct from the
2 salaries or wages of the officers or employees, the amount or amounts
3 of subscription payments, premiums, contributions, or continuation
4 thereof, for payment of the following:

5 (1) Credit union deductions: PROVIDED, That the credit union is
6 organized solely for public employees: AND PROVIDED FURTHER, That
7 twenty-five or more employees of a single state agency or a total of
8 one hundred or more state employees of several agencies have authorized
9 such a deduction for payment to the same credit union.

10 (2) Parking fee deductions: PROVIDED, That payment is made for
11 parking facilities furnished by the agency or by the department of
12 general administration.

13 (3) U.S. savings bond deductions: PROVIDED, That a person within
14 the particular agency shall be appointed to act as trustee. The
15 trustee will receive all contributions; purchase and deliver all bond
16 certificates; and keep such records and furnish such bond or security
17 as will render full accountability for all bond contributions.

18 (4) Board, lodging or uniform deductions when such board, lodging
19 and uniforms are furnished by the state, or deductions for academic
20 tuitions or fees or scholarship contributions payable to the employing
21 institution.

22 (5) Dues and other fees deductions: PROVIDED, That the deduction
23 is for payment of membership dues to any professional organization
24 formed primarily for public employees or college and university
25 professors: AND PROVIDED, FURTHER, That twenty-five or more employees
26 of a single state agency, or a total of one hundred or more state
27 employees of several agencies have authorized such a deduction for
28 payment to the same professional organization.

1 (6) Labor or employee organization dues may be deducted in the
2 event that a payroll deduction is not provided under a collective
3 bargaining agreement under the provisions of RCW 41.06.150: PROVIDED,
4 That twenty-five or more officers or employees of a single agency, or
5 a total of one hundred or more officers or employees of several
6 agencies have authorized such a deduction for payment to the same labor
7 or employee organization: PROVIDED, FURTHER, That labor or employee
8 organizations with five hundred or more members in state government may
9 have payroll deduction for employee benefit programs.

10 (~~(7) ((Voluntary deductions for political committees duly registered
11 with the public disclosure commission and/or the federal election
12 commission: PROVIDED, That twenty-five or more officers or employees
13 of a single agency or a total of one hundred or more officers or
14 employees of several agencies have authorized such a deduction for
15 payment to the same political committee.~~

16 (+8)) Insurance contributions to the authority for payment of
17 premiums under contracts authorized by the state health care authority.

18 Deductions from salaries and wages of public officers and employees
19 other than those enumerated in this section or by other law, may be
20 authorized by the director of financial management for purposes clearly
21 related to state employment or goals and objectives of the agency and
22 for plans authorized by the state health care authority.

23 The authority to make deductions from the salaries and wages of
24 public officers and employees as provided for in this section shall be
25 in addition to such other authority as may be provided by law:
26 PROVIDED, That the state or any department, division, or separate
27 agency of the state shall not be liable to any insurance carrier or
28 contractor for the failure to make or transmit any such deduction.

PART VI

POLITICAL EXPENDITURE AND CONTRIBUTION REPORTING

Sec. 27. INDEPENDENT EXPENDITURE ANNUAL REPORTING. RCW 42.17.180 and 1990 c 139 s 4 are each amended to read as follows:

(1) Every employer of a lobbyist registered under this chapter during the preceding calendar year and every person other than an individual that made contributions aggregating to more than ten thousand dollars or independent expenditures aggregating to more than five hundred dollars during the preceding calendar year shall file with the commission on or before (~~March 31st~~) the last day of February of each year a statement disclosing for the preceding calendar year the following information:

(a) The name of each state elected official and the name of each candidate for state office who was elected to the office and any member of the immediate family of those persons to whom the (~~employer~~) person reporting has paid any compensation in the amount of five hundred dollars or more during the preceding calendar year for personal employment or professional services, including professional services rendered by a corporation, partnership, joint venture, association, union, or other entity in which the person holds any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more, the value of the compensation in accordance with the reporting provisions set out in RCW 42.17.241(2), and the consideration given or performed in exchange for the compensation.

(b) The name of each state elected official, successful candidate for state office, or members of his immediate family to whom the (~~lobbyist-employer~~) person reporting made expenditures, directly or

1 indirectly, either through a lobbyist or otherwise, the amount of the
2 expenditures and the purpose for the expenditures. For the purposes of
3 this subsection, the term expenditure shall not include any expenditure
4 made by the employer in the ordinary course of business if the
5 expenditure is not made for the purpose of influencing, honoring, or
6 benefiting the elected official, successful candidate, or member of his
7 immediate family, as an elected official or candidate.

8 (c) The total expenditures made by the (~~employer~~) person
9 reporting for lobbying purposes, whether through or on behalf of a
10 registered lobbyist or otherwise.

11 (d) All contributions made to a (~~candidate for state office, to~~
12 ~~a~~) political committee supporting or opposing a candidate for state
13 office, or to a political committee supporting or opposing a state-wide
14 ballot proposition. Such contributions shall be identified by the name
15 and the address of the recipient and the aggregate amount contributed
16 to each such recipient.

17 (e) The name and address of each registered lobbyist employed by
18 the (~~employer~~) person reporting and the total expenditures made by
19 (~~the employer~~) such person for each such lobbyist for lobbying
20 purposes.

21 (f) The names, offices sought, and party affiliations of candidates
22 for state offices supported or opposed by independent expenditures of
23 the person reporting and the amount of each such expenditure.

24 (g) The identifying proposition number and a brief description of
25 any state-wide ballot proposition supported or opposed by expenditures
26 not reported under (d) of this subsection and the amount of each such
27 expenditure.

28 (h) Such other information as the commission prescribes by rule.

1 (2)(a) Except as provided in (b) of this subsection, an employer of
2 a lobbyist registered under this chapter shall file a special report
3 with the commission if the employer makes a contribution or
4 contributions aggregating more than one hundred dollars in a calendar
5 month to any one of the following: A candidate, elected official,
6 officer or employee of an agency, or political committee. The report
7 shall identify the date and amount of each such contribution and the
8 name of the candidate, elected official, agency officer or employee, or
9 political committee receiving the contribution or to be benefited by
10 the contribution. The report shall be filed on a form prescribed by
11 the commission and shall be filed within fifteen days after the last
12 day of the calendar month during which the contribution was made.

13 (b) The provisions of (a) of this subsection do not apply to a
14 contribution which is made through a registered lobbyist and reportable
15 under RCW 42.17.170.

16 PART VII

17 PENALTIES

18 **Sec. 28.** PENALTIES. RCW 42.17.390 and 1973 c 1 s 39 are each
19 amended to read as follows:

20 ~~((1))~~ One or more of the following civil remedies and sanctions
21 may be imposed by court order in addition to any other remedies
22 provided by law:

23 ~~((a))~~ (1) If the court finds that the violation of any provision
24 of this chapter by any candidate or political committee probably
25 affected the outcome of any election, the result of said election may
26 be held void and a special election held within sixty days of such
27 finding. Any action to void an election shall be commenced within one

1 year of the date of the election in question. It is intended that this
2 remedy be imposed freely in all appropriate cases to protect the right
3 of the electorate to an informed and knowledgeable vote.

4 ((+b+)) (2) If any lobbyist or sponsor of any grass roots lobbying
5 campaign violates any of the provisions of this chapter, his
6 registration may be revoked or suspended and he may be enjoined from
7 receiving compensation or making expenditures for lobbying: PROVIDED,
8 HOWEVER, That imposition of such sanction shall not excuse said
9 lobbyist from filing statements and reports required by this chapter.

10 ((+e+)) (3) Any person who violates any of the provisions of this
11 chapter may be subject to a civil penalty of not more than ten thousand
12 dollars for each such violation. However, a person or entity who
13 violates section 4 of this act may be subject to a civil penalty of ten
14 thousand dollars or three times the amount of the contribution
15 illegally made or accepted, whichever is greater.

16 ((+d+)) (4) Any person who fails to file a properly completed
17 statement or report within the time required by this chapter may be
18 subject to a civil penalty of ten dollars per day for each day each
19 such delinquency continues.

20 ((+e+)) (5) Any person who fails to report a contribution or
21 expenditure may be subject to a civil penalty equivalent to the amount
22 he failed to report.

23 ((+f+)) (6) The court may enjoin any person to prevent the doing of
24 any act herein prohibited, or to compel the performance of any act
25 required herein.

26 PART VIII
27 PUBLIC DISCLOSURE COMMISSION

1 (d) An honorarium that is required to be reported under this
2 chapter;

3 (e) Hosting in the form of entertainment, meals, or refreshments,
4 the value of which does not exceed fifty dollars, furnished in
5 connection with official appearances, official ceremonies, and
6 occasions where official agency business is discussed;

7 (f) Gifts that are not used and that, within thirty days after
8 receipt, are returned to the donor or delivered to a charitable
9 organization without being claimed as a charitable contribution for tax
10 purposes;

11 (g) Intrafamily gifts; or

12 (h) Gifts received in the normal course of private business or
13 social interaction that are not related to public policy decisions or
14 agency actions.

15 **Sec. 31.** PUBLIC OFFICIAL ANNUAL REPORTING OF "GIFTS." RCW
16 42.17.240 and 1989 c 158 s 1 are each amended to read as follows:

17 (1) Every elected official and every executive state officer shall
18 after January 1st and before April 15th of each year file with the
19 commission a statement of financial affairs for the preceding calendar
20 year. However, any local elected official whose term of office expires
21 immediately after December 31st shall file the statement required to be
22 filed by this section for the year that ended on that December 31st.
23 In addition to and in conjunction with the statement of financial
24 affairs, every official and officer shall file a statement describing
25 any gifts received during the preceding calendar year.

26 (2) Every candidate shall within two weeks of becoming a candidate
27 file with the commission a statement of financial affairs for the
28 preceding twelve months.

1 (3) Every person appointed to a vacancy in an elective office or
2 executive state officer position shall within two weeks of being so
3 appointed file with the commission a statement of financial affairs for
4 the preceding twelve months.

5 (4) A statement of a candidate or appointee filed during the period
6 from January 1st to April 15th shall cover the period from January 1st
7 of the preceding calendar year to the time of candidacy or appointment
8 if the filing of the statement would relieve the individual of a prior
9 obligation to file a statement covering the entire preceding calendar
10 year.

11 (5) No individual may be required to file more than once in any
12 calendar year.

13 (6) Each statement of financial affairs filed under this section
14 shall be sworn as to its truth and accuracy.

15 (7) For the purposes of this section, the term "executive state
16 officer" includes those listed in RCW 42.17.2401.

17 (8) This section does not apply to incumbents or candidates for a
18 federal office or the office of precinct committee officer.

19 NEW SECTION. **Sec. 32.** LOBBYIST NOTIFICATION OF GIFTS. When a
20 listing or a report of contributions is made to the commission under
21 RCW 42.17.170(2)(c), a copy of the listing or report must be given to
22 the candidate, elected official, professional staff member of the
23 legislature, or officer or employee of an agency, or a political
24 committee supporting or opposing a ballot proposition named in the
25 listing or report.

PART X

MISCELLANEOUS

NEW SECTION. **Sec. 33.** CODIFICATION DIRECTIONS. (1) Sections 1 through 19 of this act are each added to chapter 42.17 RCW as a subchapter and codified with the subchapter heading of "CAMPAIGN CONTRIBUTION LIMITATIONS."

(2) Sections 23 through 25, 29, 30, and 32 of this act are each added to chapter 42.17 RCW.

NEW SECTION. **Sec. 34.** CAPTIONS. Section captions and part headings used in this act do not constitute any part of the law.

NEW SECTION. **Sec. 35.** REPEALER. RCW 42.17.243 and 1977 ex.s. c 336 s 5 are each repealed.

NEW SECTION. **Sec. 36.** SHORT TITLE. This act may be known and cited as the Fair Campaign Practices Act.

NEW SECTION. **Sec. 37.** This act constitutes an alternative to Initiative 134, which has been proposed to the legislature. The secretary of state is directed to place this act on the ballot in conjunction with Initiative 134, pursuant to Article ii, section 1(a) of the state Constitution."