

1 5864-S Not Adopted 3/15/91.482

2 **SSB 5864** - S AMD
3 By Senator Talmadge

4 Not Adopted 3/15/91 - Roll Call 22-25

5 On page 29, after line 11, insert the following:

6 "PART VII
7 CAMPAIGN EXPENDITURE LIMITATIONS AND MATCHING FUNDS"

8 "NEW SECTION. **Sec. 29.** DEFINITIONS. The definitions under
9 RCW 42.17.020 apply to sections 29 through 48 of this act except as
10 modified by this section. Unless the context clearly requires
11 otherwise, the definitions in this section apply throughout
12 sections 29 through 48 of this act:

13 (1) "Authorized committee" means the political committee
14 authorized by a candidate, or by the state official against whom
15 recall charges have been filed, to accept contributions or make
16 expenditures on behalf of the candidate or state official.

17 (2) "Board" or "election board" means the state election board
18 created by this chapter.

19 (3) "Bona fide political party" means an organization which
20 has filed a valid certificate of nomination with the secretary of
21 state under chapter 29.24 RCW or the governing body of the state
22 organization of a major political party, as defined in RCW
23 29.01.090, which shall be the body authorized by the charter or
24 bylaws of the party to exercise authority on behalf of the state

1 party.

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

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

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

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

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

16 (6) "Election cycle" means the period beginning on the first
17 day of December following the date of the last previous general
18 election for the office which the candidate seeks and ending on
19 November thirtieth following the next election for the office. In
20 the case of a special election to fill a vacancy in an office,
21 "election cycle" means the period beginning on the day the vacancy
22 occurs and ending on November thirtieth following the special
23 election.

24 (7) "Eligible candidate" means a candidate for a state office
25 who is eligible under sections 30 and 34 of this act to receive
26 payments under this chapter.

1 (8) "General election" means the election which directly
2 results in the election of a person to a state office. It does not
3 include a primary.

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

11 (10) "Independent expenditure" means an "expenditure" as
12 defined in RCW 42.17.020 which has each of the following elements:

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

25 (b) The expenditure pays in whole or in part for any political
26 advertising which either specifically names the candidate supported

1 or opposed, or clearly and beyond any doubt identifies such
2 candidate without using the candidate's name; and

3 (c) The expenditure, alone or in conjunction with another
4 expenditure or other expenditures of the same person in support of
5 or opposition to that candidate, has a value of five hundred
6 dollars or more. A sequence of expenditures each of which is under
7 five hundred dollars shall constitute one independent expenditure
8 as of the time that the last expenditure brings the total value of
9 the sequence to five hundred dollars or more.

10 (11) "Major party" means a major political party as defined in
11 RCW 29.01.090.

12 (12) "Minor party" means a minor political party as defined in
13 RCW 29.01.100.

14 (13) "Multicandidate political committee" means a political
15 committee which, during a period of three calendar years: Receives
16 contributions of twenty-five dollars or more from each of twenty-
17 five or more persons; and makes contributions of at least twenty-
18 five dollars to each of five or more candidates or to the
19 authorized committees of five or more candidates.

20 (14) "Primary" means the procedure for nominating a candidate
21 to state office under chapter 29.18 or 29.21 RCW or any other
22 primary for an election which uses, in large measure, the
23 procedures established in chapter 29.18 or 29.21 RCW.

24 (15) "Recall campaign" means the period of time beginning on
25 the date of the filing of recall charges pursuant to RCW 29.82.015
26 and ending thirty days after the recall election.

1 (16) "State campaign account" or "account" means the state
2 election campaign account established in section 43 of this act.

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

6 (18) "State office" means the office of a member of the state
7 legislature or of any elective state executive officer.

8 (19) "State official" means a person who holds a state
9 office."

10 "NEW SECTION. Sec. 30. ELIGIBILITY FOR PAYMENTS--EXPENDITURE
11 LIMIT AGREEMENT--THRESHOLD AMOUNTS--USE OF LOGO. (1) To be

12 eligible to receive payments under this chapter a candidate shall:

13 (a) Identify the office sought by the candidate; and

14 (b) Agree in writing that the candidate and the authorized
15 committee of the candidate:

16 (i) Will fully comply with the fair campaign practices code
17 adopted by the public disclosure commission as it now exists or is
18 hereafter amended;

19 (ii) Have not made and will not make expenditures during the
20 election cycle which exceed any expenditure limitation applicable
21 to the candidate under section 31 of this act for the office sought
22 by the candidate;

23 (iii) Will deposit all payments received under section 37 of
24 this act in a separate checking account which shall contain only
25 funds so received, and will make no expenditures of funds received

1 under this section except by checks drawn on that account. The
2 account shall be in a financial institution located in this state
3 whose deposits are insured by the federal deposit insurance
4 corporation, federal savings and loan insurance corporation, or
5 national credit union administration;

6 (iv) Will furnish to the election board campaign records,
7 evidence of contributions, and other appropriate information as may
8 be required by the board; and

9 (v) Will cooperate in the case of any audit and examination by
10 or for the board under section 44 of this act.

11 (2) The agreement required by subsection (1) of this section
12 must be filed with the election board by the third business day
13 after the candidate has first received during the election cycle
14 contributions, less loan repayments, in an aggregate amount of:

15 (a) For a candidate for the office of governor, twenty-five
16 thousand dollars;

17 (b) For a candidate for state executive office other than the
18 office of governor, seven thousand five hundred dollars;

19 (c) For a candidate for the state senate, five thousand
20 dollars; and

21 (d) For a candidate for the state house of representatives,
22 two thousand five hundred dollars.

23 Such aggregate contributions include both those which satisfy
24 and those which do not satisfy the provisions of section 38 of this
25 act.

26 (3) The provisions of this section shall not be construed as

1 preventing a candidate from filing a statement of intent with the
2 board at any time. Such a statement shall include a promise signed
3 by the candidate that the candidate has not and will not exceed the
4 expenditure limitation applicable to the candidate under section 31
5 of this act.

6 (4) Nothing in this chapter requires any candidate to apply
7 for or accept public funding under section 37 or 39 of this act.

8 (5) A candidate for state office who enters and abides by an
9 agreement under subsection (1) of this section is entitled to
10 display a good campaign practices seal in the political advertising
11 and communications of the candidate during the election cycle to
12 which the agreement applies. The board shall design the good
13 campaign practices seal."

14 "NEW SECTION. **Sec. 31.** EXPENDITURE LIMITS FOR CANDIDATES
15 UNDER AGREEMENT. (1) Except as provided in subsection (4) of
16 this section, the expenditure limit for the election cycle for a
17 candidate for state office who agrees to the limitations
18 established in this chapter is the greater of: (a) The base amount
19 established for the office sought under subsection (2) of this
20 section; or (b) the base amount plus the amount applicable to the
21 candidate under subsection (3) of this section regarding
22 independent expenditures.

23 (2) The base amount referred to in subsection (1) of this
24 section is:

25 (a) For the office of governor, two million two hundred

1 thousand dollars;

2 (b) For state executive office other than the office of
3 governor, eight hundred thousand dollars;

4 (c) For the office of a member of the state senate, ninety-
5 five thousand dollars; and

6 (d) For the office of a member of the state house of
7 representatives, fifty-five thousand dollars.

8 (3) If, during the twelve months preceding the election in
9 which the candidate is seeking office, independent expenditures by
10 any person or persons are made in opposition to the candidate or
11 for any other candidate for the office sought by the candidate, the
12 expenditure limitation applicable to the candidate (not the other
13 candidate) during the election cycle shall be increased by an
14 amount equal to the amount of the independent expenditures under
15 the following circumstances:

16 (a) The candidate is a candidate for state executive office
17 and the aggregate of such independent expenditures exceeds an
18 amount equal to five percent of the base amount established in
19 subsection (2) of this section for the office sought; or

20 (b) The candidate is a candidate for state legislative office
21 and the aggregate of such independent expenditures exceeds an
22 amount equal to ten percent of the base amount established in
23 subsection (2) of this section for the office sought.

24 (4) A candidate for an office is not subject to an expenditure
25 limitation under this chapter, if during the election cycle another
26 candidate for that office:

1 (a) Enters an expenditure limitation and eligibility agreement
2 under section 30 of this act for an election cycle but expends
3 during the election cycle more than the expenditure limit
4 applicable to that other candidate; or

5 (b)(i) Receives contributions, less any loan repayments,
6 aggregating more than the amount listed in section 30(2) of this
7 act for that office; and

8 (ii) Has not filed with the board the expenditure limitation
9 and eligibility agreement under section 30 of this act within three
10 business days of receiving that aggregate amount in contributions."

11 "NEW SECTION. **Sec. 32.** RULES FOR COUNTING CONTRIBUTIONS AND
12 EXPENDITURES. For the purposes of this chapter:

13 (1) The expenditures made by and the contributions received by
14 a candidate and the expenditures made by and the contributions
15 received by the authorized committee of the candidate are
16 considered to be expenditures made by and contributions received by
17 the candidate.

18 (2) Payments made by a candidate to repay loans made to the
19 candidate shall be reported but shall not be counted when
20 determining the total expenditures made by the candidate and the
21 candidate's authorized committee with regard to any of the
22 expenditure limitations provided by this chapter.

23 (3) A contribution received within the twelve-month period
24 following a general election for a state office shall be considered
25 to be a contribution during the election cycle for the state office

1 ending with that election. This subsection only applies to the
2 extent the contribution is used to pay any debt or obligation
3 incurred to influence the outcome of that election or the primary
4 conducted for that election."

5 "NEW SECTION. **Sec. 33.** ADDITIONAL RULES FOR COUNTING
6 EXPENDITURES--CHAPTER APPLIES TO ELECTIONS TO FILL VACANCIES.

7 (1) The expenditure limitations imposed by this chapter are
8 limitations on a candidate's expenditures for the candidate's own
9 campaign for state office.

10 (2) The provisions of this chapter apply to a special election
11 conducted to fill a vacancy in a state office. However, the
12 contributions received by a candidate and the expenditures made by
13 a candidate for a primary or special election conducted to fill
14 such a vacancy shall not be counted toward any of the limitations
15 which apply to the candidate under this chapter for the election
16 cycle for any other election.

17 (3) This chapter does not apply to the recall of a state
18 official. The contributions received by a state official against
19 whom recall charges have been filed under chapter 29.82 RCW and the
20 expenditures made by the official, which contributions and
21 expenditures are made with regard to the recall and during the
22 recall campaign, shall not be counted toward any of the limitations
23 which apply under this chapter to the official as a candidate for
24 the election cycle for any other election.

25 (4) An expenditure shall be considered to be an expenditure of

1 the candidate if it is made by (a) the candidate or an authorized
2 committee of the candidate; (b) a person who has received,
3 expressly or impliedly, the candidate's encouragement or approval
4 to make the expenditure, if the expenditure pays in whole or in
5 part for any political advertising supporting the candidate or
6 promoting the defeat of any other candidate or candidates for that
7 office; or (c) a person with whom the candidate has collaborated
8 for the purpose of making the expenditure, if the expenditure pays
9 in whole or in part for any political advertising supporting the
10 candidate or promoting the defeat of any other candidate or
11 candidates for that office.

12 (5) A contribution, donation, or gift voluntarily made by a
13 candidate or the candidate's authorized committee to the state
14 election board for deposit in the state election campaign account
15 shall not be considered to be an expenditure by the candidate for
16 the purposes of this chapter."

17 "NEW SECTION. **Sec. 34.** LIMITATIONS ON EXPENDITURES FROM
18 PERSONAL OR FAMILY FUNDS. (1) A candidate who enters an
19 expenditure limitation and eligibility agreement under section 30
20 of this act for an election cycle shall not make, during the
21 election cycle, expenditures from the personal funds of the
22 candidate, or the funds contributed by any member of the immediate
23 family of the candidate, aggregating in excess of the following:

24 (a) For a candidate for the office of governor, thirty
25 thousand dollars;

1 (b) For a candidate for state executive office other than the
2 office of governor, ten thousand dollars;

3 (c) For a candidate for the office of a member of the state
4 senate, six thousand dollars; and

5 (d) For a candidate for the office of a member of the state
6 house of representatives, three thousand dollars.

7 For the purposes of this subsection, a loan by a candidate or
8 a member of the immediate family of the candidate to the campaign
9 of the candidate shall be considered to be a campaign expenditure
10 by the candidate.

11 (2) A candidate who enters an expenditure limitation and
12 eligibility agreement under section 30 of this act for an election
13 cycle and the authorized committee of the candidate shall not make
14 expenditures during the election cycle which in the aggregate
15 exceed any expenditure limit applicable to the candidate under
16 section 31 of this act."

17 "NEW SECTION. **Sec. 35.** LIMITATIONS ON EMPLOYERS OR LABOR
18 ORGANIZATIONS. (1) No employer or labor organization may
19 increase the salary of an officer or employee, or give an emolument
20 to an officer, employee, or other person or entity, with the
21 intention that the increase in salary, or the emolument, or a part
22 of it, be contributed or spent to support or oppose any candidate,
23 ballot proposition, political party, or political committee.

24 (2) No employer or labor organization may discriminate against
25 an officer or employee in the terms or conditions of employment:

1 For (a) the failure to contribute to, (b) the failure in any way to
2 support or oppose, or (c) in any way supporting or opposing a
3 candidate, ballot proposition, political party, or political
4 committee.

5 (3) No employer or other person or entity responsible for the
6 disbursement of funds in payment of wages or salaries may withhold
7 or divert any portion of an employee's wages or salaries for
8 contributions to political committees except upon the written
9 request of the employee. The request must be made on a form
10 prescribed by the commission informing the employee of the
11 prohibition against employer and labor organization discrimination
12 described in subsection (2) of this section. The request shall be
13 valid for no more than twelve months from the date it is made by
14 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
19 a copy of each employee's request, the amounts and dates funds were
20 actually withheld, and the amounts and dates funds were transferred
21 to a political committee. Copies of such information shall be
22 delivered to the commission upon request."

23 "NEW SECTION. Sec. 36. VARIOUS CONTRIBUTION AND EXPENDITURE
24 AMOUNTS ADJUSTED FOR INFLATION. The threshold amounts
25 established in section 30(2) of this act, the base amounts

1 established in section 31(2) of this act, and the amounts in
2 section 34(1) of this act shall be increased or decreased by the
3 board by rule at the beginning of each odd-numbered year based on
4 changes in economic conditions as reflected in the inflationary
5 index used by the public disclosure commission under RCW 42.17.370.
6 The base year to be used for revisions made under this section is
7 1991.

8 The board may also adjust the base amounts in section 34(1) of
9 this act applicable to a particular legislative office if the board
10 finds that, as a result of changes in population since the latest
11 decennial census, the population in the legislative district for
12 that office differs significantly from the average population of a
13 legislative district in the state. In such a case, the board may
14 adjust the base amount applicable to that office to reflect that
15 difference in populations."

16 "NEW SECTION. **Sec. 37.** AMOUNT OF STATE FINANCIAL
17 ASSISTANCE--NO ASSISTANCE IF OPPOSITION IS PARTY TO EXPENDITURE
18 LIMIT AGREEMENT. (1) Except as provided in subsections (3) and
19 (4) of this section, an eligible candidate is entitled to payments
20 from the state campaign account equal to:

21 (a) Four dollars for each qualifying dollar received by the
22 candidate as a contribution for the campaign of the candidate; and

23 (b) The aggregate total amount of independent expenditures
24 made or obligated to be made during the twelve months preceding the
25 election by any person or persons in opposition to the candidate or

1 for any other candidate for the office sought by the candidate if:

2 (i) The candidate is a candidate for state executive office
3 and the aggregate of such independent expenditures exceeds an
4 amount equal to five percent of the base amount established in
5 section 31(2) of this act for the office sought; or

6 (ii) The candidate is a candidate for state legislative office
7 and the aggregate of such independent expenditures exceeds an
8 amount equal to ten percent of the base amount established in
9 section 31(2) of this act for the office sought.

10 A qualifying dollar is one which satisfies all of the
11 provisions of section 38 of this act regarding contributions.

12 (2) Payments received by a candidate under this section shall
13 be deposited as required in section 30(1)(b)(iii) of this act and
14 shall be used to pay for goods and services furnished during the
15 election cycle for which the payments were received. Such payments
16 shall not be used:

17 (a) To make any payments, directly or indirectly, to the
18 candidate or to any member of the immediate family of the
19 candidate;

20 (b) To make any expenditure other than expenditures to further
21 the nomination or election of the candidate; or

22 (c) To repay any loan to any person except to the extent the
23 proceeds of such loan were used to further the nomination or
24 election of the candidate.

25 (3) A candidate shall not be eligible to receive payments from
26 the state campaign account for a primary or election for an office

1 unless:

2 (a) At least one other candidate for the office sought by the
3 candidate: (i) Enters an expenditure limitation and eligibility
4 agreement under section 30 of this act for an election cycle but
5 expends during the election cycle more than the expenditure limit
6 applicable to that other candidate; or (ii)(A) has not filed an
7 expenditure limitation and eligibility agreement under section 30
8 of this act with the board in a timely manner; and (B) has received
9 during the election cycle contributions, less loan repayments,
10 which, in the aggregate, exceed twice the amount listed in section
11 30(2) of this act for the office sought. For the purposes of
12 (a)(ii)(B) of this subsection, "contribution" does not include a
13 contribution made by a candidate for state office; and

14 (b) The candidate and the authorized committee of the
15 candidate have received contributions, less loan repayments, in an
16 aggregate threshold amount of at least the amount listed in section
17 30(2) (a), (b), or (c) of this act for the office sought and all of
18 the contributions received for this purpose satisfy the provisions
19 of section 38 of this act.

20 (4)(a) Except as provided in (b) of this subsection, the sum
21 of all payments from the state campaign account to a candidate for
22 an election cycle may not exceed the following amounts for the
23 office sought:

24 (i) For the office of governor, two hundred twenty thousand
25 dollars;

26 (ii) For state executive office other than the office of

1 governor, eighty thousand dollars;

2 (iii) For the office of a member of the state senate, fifty
3 thousand dollars; and

4 (iv) For the office of a member of the state house of
5 representatives, twenty-five thousand dollars.

6 (b) If the expenditure limitation applicable to the candidate
7 is increased under section 31(3) of this act as a result of
8 independent expenditures, the amount listed for the office sought
9 by the candidate in (a) of this subsection, as it applies to the
10 candidate, shall be increased by an amount equal to those
11 independent expenditures."

12 "NEW SECTION. **Sec. 38.** RULES FOR DETERMINING WHETHER
13 CONTRIBUTIONS WILL COUNT FOR DETERMINING THRESHOLD AMOUNT AND FOR
14 STATE MATCHING FUNDS. For a contribution received by a candidate
15 or the candidate's authorized committee to qualify as being one
16 which satisfies the requirements of section 37(3)(b) of this act
17 for raising a threshold amount of contributions or to qualify to be
18 matched by public moneys from the state campaign account under
19 section 37 of this act, the contribution must satisfy each of the
20 following requirements:

21 (1) The contribution shall be a gift of money made by a
22 written instrument which identifies the individual making the
23 contribution;

24 (2) The contribution shall be made directly to the candidate
25 or the candidate's authorized committee. Contributions made

1 through any other person shall not qualify. The provisions of this
2 subsection do not disqualify money received through bona fide joint
3 fund-raising efforts conducted solely for the purpose of
4 sponsorship of a fund-raising reception, dinner, or other event,
5 under rules prescribed by the board, by: (a) Two or more
6 candidates, or (b) one or more candidates and one or more national,
7 state, or local committees of a political party acting on their own
8 behalf;

9 (3) The contribution shall have come from an individual.
10 However, the contribution shall not have come from a candidate for
11 any office;

12 (4)(a) Of the total amount of all contributions made by a
13 person to the candidate and the authorized committee of the
14 candidate or for the benefit of the candidate, not more than the
15 amount listed in (b) of this subsection for the office sought may
16 be counted toward the threshold amount or be matched by moneys from
17 the state campaign account. The provisions of this subsection
18 shall not be construed as limiting the total amount of
19 contributions that may be made by a person to or for the benefit of
20 a candidate or that may be accepted by the candidate or the
21 candidate's authorized committee from the person;

22 (b) The amount referred to in (a) of this subsection is: (i)
23 For the office of governor, one thousand dollars; (ii) for state
24 executive office other than the office of governor, five hundred
25 dollars; (iii) for the state senate, four hundred dollars; and (iv)
26 for the state house of representatives, two hundred dollars;

1 (c) For the purposes of this subsection (4), all contributions
2 by one person who is controlled by any other person shall be
3 considered to have been made by such other person. The provisions
4 of this subsection (c) shall not be construed as applying to the
5 relationship between an individual and the spouse of the
6 individual; and

7 (5) The contribution shall be received during the election
8 cycle."

9 "NEW SECTION. **Sec. 39.** PROCEDURES FOR REQUESTING PAYMENT
10 UNDER EXPENDITURE LIMIT AGREEMENT. A candidate desiring
11 payments from the state campaign account shall file a request with
12 the board which shall contain:

13 (1) Such information and be made in accordance with such
14 procedures as the board may provide by rule; and

15 (2) A verification signed by the candidate and the treasurer
16 of the authorized committee of the candidate stating that the
17 information furnished in support of the request, to the best of the
18 knowledge of each, is correct and fully satisfies the requirements
19 of this chapter.

20 No later than two business days after an eligible candidate
21 files a request with the board to receive payments under this
22 section, the board shall determine whether the candidate is
23 eligible to receive payments from the state campaign account and,
24 if the candidate is eligible to receive such payments, disburse to
25 the candidate from the account the full amount to which the

1 candidate is entitled.

2 A candidate is not limited to filing only one request for
3 payments under this section during each election cycle. After
4 filing an original request, a candidate may file one or more
5 supplemental requests to receive the payments to which the
6 candidate is entitled.

7 The board may permit its executive director to approve
8 requests submitted under this section and make the disbursements
9 authorized by this chapter on behalf of the board and within
10 guidelines adopted by the board by rule."

11 "NEW SECTION. Sec. 40. ELECTION BOARD CREATED. There
12 is hereby created the state election board, which shall be composed
13 of six members appointed by the governor. Each member shall be
14 appointed to a permanently assigned position number on the board.

15 Initially, the legislative leader of each of the two largest
16 political parties in each house of the state legislature shall
17 submit a list of three nominees for appointment to the board. The
18 governor shall appoint one member of the board from each of the
19 four lists submitted by the four legislative leaders. These shall
20 be positions one through four. Appointment of a successor for a
21 full term for any one of these four positions or for filling a
22 vacancy in any one of these four positions shall be made from a
23 list of three persons nominated by the legislative leader of the
24 same political party in the legislature which nominated the person
25 first appointed to the position.

1 Positions five and six shall be appointed by the governor to
2 represent the public interest generally. Any person or
3 organization may submit recommendations to the governor, which may
4 be considered by the governor in making the appointments to these
5 two positions. A person appointed to position five or six shall
6 not also be an elected public official nor may the person have held
7 the office of an elected public official in any of the six years
8 prior to his or her appointment.

9 The term of office of each member of the board is four years,
10 except that the term of office of one of the initial members shall
11 be one year, the term of two initial members shall be two years,
12 and the term of one other initial member shall be three years as
13 designated by the governor. The board shall notify the governor
14 and any appropriate nominating legislative leader regarding a
15 vacancy created on the board or the impending conclusion of a
16 member's full term of office. The governor shall make appointments
17 to fill vacancies within thirty days of their being created and
18 shall make appointments to fill full terms within thirty days of
19 the expiration of a member's term.

20 Four members constitute a quorum for conducting the business
21 of the board.

22 The board is a class four group under the provisions of RCW
23 43.03.250 and members shall be compensated accordingly. In
24 addition, the members shall be reimbursed for travel expenses
25 incurred while engaged in the business of the board as provided in
26 RCW 43.03.050 and 43.03.060."

1 "NEW SECTION. **Sec. 41.** ELECTION BOARD DUTIES. The state
2 election board shall:

3 (1) Administer this chapter and adopt such rules and make such
4 orders as it finds appropriate for such administration;

5 (2) Enforce the provisions of this chapter and the rules
6 adopted by the board under this chapter, and administer oaths and
7 affirmations, issue subpoenas, and compel attendance, take evidence
8 and require the production of any books, papers, correspondence,
9 memorandums, or other records relevant or material for the purpose
10 of any investigation under this chapter;

11 (3) Develop and provide forms for the applications and reports
12 filed with the board under this chapter;

13 (4) Prepare and publish, jointly with the public disclosure
14 commission, a manual setting forth uniform methods of bookkeeping
15 by candidates who have accepted public funding;

16 (5) Compile and maintain a current list of all filed reports
17 and statements filed under this chapter;

18 (6) Upon complaint or upon its own motion, investigate
19 possible violations of this chapter and of rules adopted under this
20 chapter;

21 (7) Employ staff, including an executive director who shall
22 perform such duties and have such powers as the board may
23 prescribe. However, the board may not delegate its authority to
24 adopt, amend, or rescind rules or to determine whether a violation
25 of this chapter has occurred or to assess penalties for such
26 violation; and

1 (8) Prepare and publish such reports and technical studies as
2 in its judgment will tend to promote the purposes of this chapter.

3 The board may accept contributions, donations, or gifts from
4 any person or entity on behalf of the state election campaign
5 account. The money value of any such contribution, donation, or
6 gift received by the board shall be promptly deposited in the
7 account."

8 "NEW SECTION. **Sec. 42.** ELECTION BOARD PROVIDES CAMPAIGN
9 FINANCING PAYMENTS--APPEAL FROM ADVERSE BOARD DECISION. (1) ~~The~~
10 board shall decide all applications for payment from the state
11 campaign account. Each application shall be decided in accordance
12 with rules adopted by the board, and the board's decision on the
13 application shall be final unless appealed as provided in
14 subsection (2) of this section. The board's review of
15 applications, and all actions taken by the board on applications,
16 shall be exempt from chapter 34.05 RCW.

17 (2) Any person adversely affected by the board's decision and
18 who believes the decision to be unlawful may appeal to the superior
19 court of Thurston county by petition setting forth his or her
20 reasons why the decision is unlawful. A copy of the petition on
21 appeal together with a notice that an appeal has been taken shall
22 be served upon the board, upon the attorney general, and upon each
23 candidate for the office sought by the applicant. The decision of
24 the superior court shall be final. Such appeal shall be heard
25 without costs to either party."

1 "NEW SECTION. Sec. 43. CREATION OF STATE ELECTION CAMPAIGN
2 ACCOUNT. The state election campaign account is hereby
3 created in the custody of the state treasurer. All moneys
4 appropriated to the board for deposit in the account, all moneys
5 received under RCW 29.15.050 or 29.18.050, and all earnings of
6 investments of balances in the account shall be credited to the
7 account. Moneys may be disbursed from the account only in the form
8 of payments to eligible candidates as authorized by this chapter.
9 Only the board, or the board's executive director if permitted to
10 do so by rules adopted by the board, may authorize disbursements
11 from the account. The account is subject to allotment procedures
12 under chapter 43.88 RCW, but no appropriation is required for
13 disbursements."

14 "NEW SECTION. Sec. 44. EXAMINATION AND AUDITS--RETURN OF
15 UNSPENT MATCHING FUNDS. (1) The public disclosure commission
16 and the board shall jointly develop and approve a program for
17 auditing the campaign accounts of candidates who accept public
18 funding under this chapter.

19 (2) After each general election, the public disclosure
20 commission shall conduct, on behalf of the board, such examinations
21 and audits of the campaign accounts of eligible candidates and of
22 authorized committees as are sufficient to determine, among other
23 things, whether candidates have complied with the expenditure
24 limits and other conditions of eligibility and requirements of this
25 chapter.

1 (3) The board shall review the examinations and audits
2 conducted by the commission on its behalf and may conduct any
3 additional investigations it believes to be warranted. The board
4 shall require candidates to return to the board any unexpended
5 funds received by the candidates under this chapter. The board may
6 adopt exceptions to this requirement for instances where debts are
7 in dispute.

8 (4) Examinations and audits shall not be made by the
9 commission under this section with respect to an election cycle
10 more than three years after the cycle."

11 "NEW SECTION. **Sec. 45.** VIOLATIONS. (1) It is a violation
12 of this chapter for any candidate to accept public payments under
13 this chapter which are in excess of the aggregate payments to which
14 the candidate is entitled.

15 (2) It is a violation of this chapter for any candidate or for
16 any officer, member, employee, or agent of a political committee
17 for the candidate:

18 (a) To use or transfer funds for any purpose prohibited by
19 section 37(2) of this act;

20 (b) To make expenditures which he or she knows exceed any
21 expenditure limitation applicable under section 31 of this act;

22 (c) To provide false information under section 30(1) or (2) of
23 this act; or

24 (d) To violate the agreement under section 30(1)(b) of this
25 act.

1 (3) It is a violation of this chapter for any person:

2 (a) To furnish to the board or to the public disclosure
3 commission under this chapter any evidence, books, or information
4 (including any certification, verification, notice, or report),
5 which is false, fictitious, or fraudulent, or to include in any
6 evidence, books, or information so furnished any misrepresentation
7 of a material fact, or to falsify or conceal any evidence, books,
8 or information relevant to a payment by the board or an examination
9 or audit by the board or the commission under this chapter; or

10 (b) To fail to furnish to the board or the commission any
11 records, books, or information requested by it for purposes of this
12 chapter.

13 (4) It is a violation of this chapter for any person to accept
14 any payment if the person knows, or has reason to know, that the
15 payment is in violation of section 37(2) of this act."

16 "NEW SECTION. **Sec. 46.** BOARD TO REPORT TO GOVERNOR AND
17 LEGISLATURE--RULE-MAKING POWERS. (1) The board shall, as soon as
18 practicable after each election, submit a full report to the
19 governor and the legislature setting forth:

20 (a) The expenditures shown in such detail as the board
21 determines appropriate made by each eligible candidate and the
22 authorized committee of each candidate;

23 (b) The amounts paid by the board under section 39 of this act
24 to each eligible candidate;

25 (c) The amount of any payments returned under section 44 of

1 this act; and

2 (d) The balance in the state campaign account.

3 (2) The board is authorized to prescribe such rules in
4 accordance with chapter 34.05 RCW, to conduct such examinations and
5 investigations, and to require the keeping and submission of such
6 books, records, and information, as it deems necessary to carry out
7 the functions and duties imposed on it by this chapter."

8 "NEW SECTION. **Sec. 47.** PENALTIES FOR VIOLATION OF
9 EXPENDITURE LIMIT CHAPTER. The board may impose a civil fine on
10 any person who violates any provision of this chapter or any rule
11 adopted under this chapter. The fine shall not exceed ten thousand
12 dollars, except for the following violations for which the penalty
13 shall be as follows:

14 (1) For violations of section 45(1) of this act, up to the
15 greater of ten thousand dollars or the amount in excess of the
16 aggregate payments to which the candidate is entitled;

17 (2) For violations of section 45(2)(a) of this act, up to the
18 greater of ten thousand dollars or the amount used or transferred
19 for a prohibited purpose;

20 (3) For violations of section 45(2)(b) of this act, up to the
21 greater of ten thousand dollars or the amount of the expenditures
22 in excess of the applicable expenditure limitation; and

23 (4) For violations of section 45(4) of this act, up to the
24 greater of ten thousand dollars or the amount of the payment in
25 violation of section 37(2) of this act."

1 "NEW SECTION. **Sec. 48.** BOARD TO ESTIMATE PUBLIC FUNDS NEEDED
2 FOR MATCHING FUNDS. The state election board shall, on an
3 annual basis, estimate the funding needed to provide public
4 matching moneys for election campaigns under this chapter. Each
5 annual estimate shall identify funding needs for each of the
6 successive four years. The board shall transmit its estimate to
7 the legislature on December 20th of each year."

8 "NEW SECTION. **Sec. 49.** CODIFICATION DIRECTIONS.
9 Sections 29 through 48 of this act shall constitute a new chapter
10 in Title 42 RCW."

11 Renumber the remaining sections and part headings
12 consecutively and correct any internal references accordingly.