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HOUSE BILL 1699

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State of Washington

52nd Legislature

1991 Regular Session

By Representatives Anderson, McLean, Pruitt, Jacobsen, Heavey, Phillips, Wynne and Wineberry; by request of Public Disclosure Commission.

Read first time February 6, 1991. Referred to Committee on State Government.

1 AN ACT Relating to campaign finance reporting; and amending RCW  
2 42.17.065, 42.17.080, 42.17.090, 42.17.095, 42.17.100, 42.17.105,  
3 42.17.135, and 42.17.430.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 42.17.065 and 1989 c 280 s 5 are each amended to read  
6 as follows:

7 (1) In addition to the provisions of this section, a continuing  
8 political committee shall file and report on the same conditions and at  
9 the same times as any other committee in accordance with the provisions  
10 of RCW 42.17.040, 42.17.050, and 42.17.060.

11 (2) A continuing political committee shall file with the commission  
12 and the auditor or elections officer of the county in which the  
13 committee maintains its office or headquarters and if there is no such  
14 office or headquarters then in the county in which the committee  
15 treasurer resides a report on the tenth day of the month detailing its

1 activities for the preceding calendar month in which the committee has  
2 received a contribution or made an expenditure(~~(: PROVIDED, That such~~  
3 ~~report shall only be filed if either the total contributions received~~  
4 ~~or total expenditures made since the last such report exceed two~~  
5 ~~hundred dollars)~~). The report shall be on a form supplied by the  
6 commission and shall include the following information:

7 (a) The information required by RCW 42.17.090;

8 (b) Each expenditure made to retire previously accumulated debts of  
9 the committee; identified by recipient, amount, and date of payments;

10 (c) Such other information as the commission shall by rule  
11 prescribe.

12 (3) If a continuing political committee shall make a contribution  
13 in support of or in opposition to a candidate or ballot proposition  
14 within sixty days prior to the date on which such candidate or ballot  
15 proposition will be voted upon, such continuing political committee  
16 shall report pursuant to RCW 42.17.080.

17 (4) A continuing political committee shall file reports as required  
18 by this chapter until it is dissolved, at which time a final report  
19 shall be filed. Upon submitting a final report, the duties of the  
20 campaign treasurer shall cease and there shall be no obligation to make  
21 any further reports.

22 (5) The campaign treasurer shall maintain books of account  
23 accurately reflecting all contributions and expenditures on a current  
24 basis within five business days of receipt or expenditure. During the  
25 eight days immediately preceding the date of any election, for which  
26 the committee has received any contributions or made any expenditures,  
27 the books of account shall be kept current within one business day and  
28 shall be open for public inspection for at least two consecutive hours  
29 Monday through Friday, excluding legal holidays, between 8:00 a.m. and  
30 8:00 p.m., as specified in the committee's statement of organization

1 filed pursuant to RCW 42.17.040, at the principal campaign headquarters  
2 or, if there is no campaign headquarters, at the address of the  
3 campaign treasurer or such other place as may be authorized by the  
4 commission.

5 (6) All reports filed pursuant to this section shall be certified  
6 as correct by the campaign treasurer.

7 (7) The campaign treasurer shall preserve books of account, bills,  
8 receipts, and all other financial records of the campaign or political  
9 committee for not less than five calendar years following the year  
10 during which the transaction occurred.

11 **Sec. 2.** RCW 42.17.080 and 1989 c 280 s 8 are each amended to read  
12 as follows:

13 (1) On the day the treasurer is designated, each candidate or  
14 political committee shall file with the commission and the county  
15 auditor or elections officer of the county in which the candidate  
16 resides, or in the case of a political committee, the county in which  
17 the treasurer resides, in addition to any statement of organization  
18 required under RCW 42.17.040 or 42.17.050, a report of all  
19 contributions received and expenditures made prior to that date, if  
20 any.

21 (2) At the following intervals each treasurer shall file with the  
22 commission and the county auditor or elections officer of the county in  
23 which the candidate resides, or in the case of a political committee,  
24 the county in which the committee maintains its office or headquarters,  
25 and if there is no office or headquarters then in the county in which  
26 the treasurer resides, a report containing the information required by  
27 RCW 42.17.090:

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

1 (b) On the tenth day of the first month after the election:  
2 PROVIDED, That this report shall not be required following a primary  
3 election from:

4 (i) A candidate whose name will appear on the subsequent general  
5 election ballot; or

6 (ii) Any continuing political committee; and

7 (c) On the tenth day of each month after a month in which ~~((no~~  
8 ~~other reports are required to be filed under this section: PROVIDED,~~  
9 ~~That such report shall only be filed if the committee has received a~~  
10 ~~contribution or made an expenditure in the preceding calendar month and~~  
11 ~~either the total contributions received or total expenditures made~~  
12 ~~since the last such report exceed two hundred dollars)) the candidate~~  
13 ~~or committee received a contribution or made an expenditure.~~

14 When there is no outstanding debt or obligation, and the campaign  
15 fund is closed, and the campaign is concluded in all respects, ~~((and in~~  
16 ~~the case of a political committee, the committee has ceased to function~~  
17 ~~and has dissolved,)) the treasurer shall file a final report. Upon  
18 submitting a final report, the duties of the treasurer shall cease and  
19 there shall be no obligation to make any further reports.~~

20 The report filed twenty-one days before the election shall report  
21 all contributions received and expenditures made as of the end of the  
22 fifth business day before the date of the report. The report filed  
23 seven days before the election shall report all contributions received  
24 and expenditures made as of the end of the one business day before the  
25 date of the report. Reports filed on the tenth day of the month shall  
26 report all contributions received and expenditures made from the  
27 closing date of the last report filed through the last day of the month  
28 preceding the date of the current report.

29 (3) For the period beginning the first day of the fourth month  
30 preceding the date on which the special or general election is held and

1 ending on the date of that election, the treasurer shall file with the  
2 commission and the appropriate county elections officer a report of  
3 each contribution received during that period at the time that  
4 contribution is deposited pursuant to RCW 42.17.060(1). The report  
5 shall contain the name of each person contributing the funds so  
6 deposited and the amount contributed by each person. However,  
7 contributions of no more than (~~twenty-five~~) fifty dollars from any  
8 one person may be deposited without identifying the contributor. A  
9 copy of the report shall be retained by the treasurer for his or her  
10 records. In the event of deposits made by a deputy treasurer, the copy  
11 shall be forwarded to the treasurer to be retained (~~by him~~) for his  
12 or her records. Each report shall be certified as correct by the  
13 treasurer or deputy treasurer making the deposit.

14 (4) The treasurer or candidate shall maintain books of account  
15 accurately reflecting all contributions and expenditures on a current  
16 basis within five business days of receipt or expenditure. During the  
17 eight days immediately preceding the date of the election the books of  
18 account shall be kept current within one business day and shall be open  
19 for public inspection for at least two consecutive hours Monday through  
20 Friday, excluding legal holidays, between 8:00 a.m. and 8:00 p.m., as  
21 specified in the committee's statement of organization filed pursuant  
22 to RCW 42.17.040, at the principal headquarters or, if there is no  
23 headquarters, at the address of the treasurer or such other place as  
24 may be authorized by the commission. The treasurer or candidate shall  
25 preserve books of account, bills, receipts, and all other financial  
26 records of the campaign or political committee for not less than five  
27 calendar years following the year during which the transaction  
28 occurred.

1 (5) All reports filed pursuant to subsections (1) or (2) of this  
2 section shall be certified as correct by the candidate and the  
3 treasurer.

4 (6) Copies of all reports filed pursuant to this section shall be  
5 readily available for public inspection for at least two consecutive  
6 hours Monday through Friday, excluding legal holidays, between 8:00  
7 a.m. and 8:00 p.m., as specified in the committee's statement of  
8 organization filed pursuant to RCW 42.17.040, at the principal  
9 headquarters or, if there is no headquarters, at the address of the  
10 treasurer or such other place as may be authorized by the commission.

11 **Sec. 3.** RCW 42.17.090 and 1989 c 280 s 9 are each amended to read  
12 as follows:

13 (1) Each report required under RCW 42.17.080 (1) and (2) shall  
14 disclose the following:

15 (a) The funds on hand at the beginning of the period;

16 (b) The name and address of each person who has made one or more  
17 contributions during the period, together with the money value and date  
18 of such contributions and the aggregate value of all contributions  
19 received from each such person during the campaign or in the case of a  
20 continuing political committee, the current calendar year: PROVIDED,  
21 That pledges in the aggregate of less than one hundred dollars from any  
22 one person need not be reported: PROVIDED FURTHER, That the income  
23 which results from a fund-raising activity conducted in accordance with  
24 RCW 42.17.067 may be reported as one lump sum, with the exception of  
25 that portion of such income which was received from persons whose names  
26 and addresses are required to be included in the report required by RCW  
27 42.17.067: PROVIDED FURTHER, That contributions of no more than  
28 (~~twenty-five~~) fifty dollars in the aggregate from any one person  
29 during the election campaign may be reported as one lump sum so long as

1 the campaign treasurer maintains a separate and private list of the  
2 name, address, and amount of each such contributor: PROVIDED FURTHER,  
3 That the money value of contributions of postage shall be the face  
4 value of such postage;

5 (c) Each loan, promissory note, or security instrument to be used  
6 by or for the benefit of the candidate or political committee made by  
7 any person, together with the names and addresses of the lender and  
8 each person liable directly, indirectly or contingently and the date  
9 and amount of each such loan, promissory note, or security instrument;

10 (d) All other contributions not otherwise listed or exempted;

11 (e) The name and address of each candidate or political committee  
12 to which any transfer of funds was made, together with the amounts and  
13 dates of such transfers;

14 (f) The name and address of each person to whom an expenditure was  
15 made in the aggregate amount of more than fifty dollars during the  
16 period covered by this report, and the amount, date, and purpose of  
17 each such expenditure(~~(. — A candidate for state executive or state  
18 legislative office or the political committee of such a candidate shall  
19 report this information for an expenditure under one of the following  
20 categories, whichever is appropriate: — (i) Expenditures for the  
21 election of the candidate; (ii) expenditures for nonreimbursed public  
22 office-related expenses; (iii) expenditures required to be reported  
23 under (e) of this subsection; or (iv) expenditures of surplus funds and  
24 other expenditures. — The report of such a candidate or committee shall  
25 contain a separate total of expenditures for each category and a total  
26 sum of all expenditures. — Other candidates and political committees  
27 need not report information regarding expenditures under the categories  
28 listed in (i) through (iv) of this subsection or under similar such  
29 categories unless required to do so by the commission by rule. — The~~

1 ~~report of such an other candidate or committee shall also contain the~~  
2 ~~total sum of all expenditures))~~;

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

7 (h) The surplus or deficit of contributions over expenditures;

8 (i) The disposition made in accordance with RCW 42.17.095 of any  
9 surplus funds;

10 (j) Such other information as shall be required by the commission  
11 by rule in conformance with the policies and purposes of this chapter;  
12 and

13 (k) Funds received from a political committee not otherwise  
14 required to report under this chapter (a "nonreporting committee").  
15 Such funds shall be forfeited to the state of Washington unless the  
16 nonreporting committee has filed or within ten days following such  
17 receipt files with the commission a statement disclosing: (i) its name  
18 and address; (ii) the purposes of the nonreporting committee; (iii) the  
19 names, addresses, and titles of its officers or if it has no officers,  
20 the names, addresses, and titles of its responsible leaders; (iv) the  
21 name, office sought, and party affiliation of each candidate in the  
22 state of Washington whom the nonreporting committee is supporting, and,  
23 if such committee is supporting the entire ticket of any party, the  
24 name of the party; (v) the ballot proposition supported or opposed in  
25 the state of Washington, if any, and whether such committee is in favor  
26 of or opposed to such proposition; (vi) the name and address of each  
27 person residing in the state of Washington or corporation which has a  
28 place of business in the state of Washington who has made one or more  
29 contributions in the aggregate of more than ~~((twenty-five))~~ fifty  
30 dollars to the nonreporting committee during the current calendar year,



1 together with the money value and date of such contributions; (vii) the  
2 name and address of each person in the state of Washington to whom an  
3 expenditure was made by the nonreporting committee on behalf of a  
4 candidate or political committee in the aggregate amount of more than  
5 fifty dollars, the amount, date, and purpose of such expenditure, and  
6 the total sum of such expenditures; (viii) such other information as  
7 the commission may prescribe by rule, in keeping with the policies and  
8 purposes of this chapter. A nonreporting committee incurring an  
9 obligation to file additional reports in a calendar year may satisfy  
10 the obligation by filing with the commission a letter providing  
11 updating or amending information.

12 (2) The treasurer and the candidate shall certify the correctness  
13 of each report.

14 **Sec. 4.** RCW 42.17.095 and 1982 c 147 s 8 are each amended to read  
15 as follows:

16 The surplus funds of a candidate((~~7~~)) or of a political committee  
17 ((~~supporting or opposing a candidate,~~7)) may only be disposed of in any  
18 one or more of the following ways:

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

21 (2) Transfer the surplus to the candidate's personal account as  
22 reimbursement for lost earnings incurred as a result of that  
23 candidate's election campaign. Such lost earnings shall be verifiable  
24 as unpaid salary or, when the candidate is not salaried, as an amount  
25 not to exceed income received by the candidate for services rendered  
26 during an appropriate, corresponding time period. All lost earnings  
27 incurred shall be documented and a record thereof shall be maintained  
28 by the candidate or the candidate's political committee. The committee

1 shall include a copy of such record when its expenditure for such  
2 reimbursement is reported pursuant to RCW 42.17.090;

3 (3) Transfer the surplus to one or more candidates or to a  
4 political committee or party;

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

7 (5) Transmit the surplus to the state treasurer for deposit in the  
8 general fund; ~~((or))~~

9 (6) Hold the surplus in the ~~((campaign))~~ depository or depositories  
10 designated in accordance with RCW 42.17.050 for possible use in a  
11 future election campaign, for political activity, or for community  
12 activity~~((, or for nonreimbursed public office related expenses))~~ and  
13 report any such disposition in accordance with RCW 42.17.090:  
14 PROVIDED, That if the candidate subsequently announces or publicly  
15 files for office, information as appropriate is reported to the  
16 commission in accordance with RCW 42.17.040 through 42.17.090. If a  
17 subsequent office is not sought the surplus held shall be disposed of  
18 in accordance with the requirements of this section; or

19 (7) If the surplus funds are of a successful candidate, or a  
20 political committee supporting the candidate, transfer the surplus to  
21 a public office fund established under RCW 42.17.243 by that successful  
22 candidate as an elected official.

23 **Sec. 5.** RCW 42.17.100 and 1989 c 280 s 10 are each amended to read  
24 as follows:

25 (1) For the purposes of this section the term "independent campaign  
26 expenditure" means any expenditure that is made in support of or in  
27 opposition to any candidate or ballot proposition and is not otherwise  
28 required to be reported pursuant to RCW 42.17.060, 42.17.080, or  
29 42.17.090.

1           (2) Within five days after the date of making an independent  
2 campaign expenditure that by itself or when added to all other such  
3 independent campaign expenditures made during the same election  
4 campaign by the same person equals one hundred dollars or more, or  
5 within five days after the date of making an independent campaign  
6 expenditure for which no reasonable estimate of monetary value is  
7 practicable, whichever occurs first, the person who made the  
8 independent campaign expenditure shall file with the commission and the  
9 county elections officer of the county of residence for the candidate  
10 supported or opposed by the independent campaign expenditure (or in the  
11 case of an expenditure made in support of or in opposition to a local  
12 ballot proposition, the county of residence for the person making the  
13 expenditure) an initial report of all independent campaign expenditures  
14 made during the campaign prior to and including such date.

15           (3) At the following intervals each person who is required to file  
16 an initial report pursuant to subsection (2) of this section shall file  
17 with the commission and the county elections officer of the county of  
18 residence for the candidate supported or opposed by the independent  
19 campaign expenditure (or in the case of an expenditure made in support  
20 of or in opposition to a ballot proposition, the county of residence  
21 for the person making the expenditure) a further report of the  
22 independent campaign expenditures made since the date of the last  
23 report:

24           (a) On the twenty-first day and the seventh day preceding the date  
25 on which the election is held; and

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

27           (c) On the tenth day of each month in which no other reports are  
28 required to be filed pursuant to this section. However, the further  
29 reports required by this subsection (3) shall only be filed if the

1 reporting person has made an independent campaign expenditure since the  
2 date of the last previous report filed.

3 The report filed pursuant to (~~paragraph (a)~~) (b) of this  
4 subsection (3) shall be the final report, and upon submitting such  
5 final report the duties of the reporting person shall cease, and there  
6 shall be no obligation to make any further reports.

7 (4) All reports filed pursuant to this section shall be certified  
8 as correct by the reporting person.

9 (5) Each report required by subsections (2) and (3) of this section  
10 shall disclose for the period beginning at the end of the period for  
11 the last previous report filed or, in the case of an initial report,  
12 beginning at the time of the first independent campaign expenditure,  
13 and ending not more than one business day before the date the report is  
14 due:

15 (a) The name and address of the person filing the report;

16 (b) The name and address of each person to whom an independent  
17 campaign expenditure was made in the aggregate amount of more than  
18 fifty dollars, and the amount, date, and purpose of each such  
19 expenditure. If no reasonable estimate of the monetary value of a  
20 particular independent campaign expenditure is practicable, it is  
21 sufficient to report instead a precise description of services,  
22 property, or rights furnished through the expenditure and where  
23 appropriate to attach a copy of the item produced or distributed by the  
24 expenditure;

25 (c) The total sum of all independent campaign expenditures made  
26 during the campaign to date; and

27 (d) Such other information as shall be required by the commission  
28 by rule in conformance with the policies and purposes of this chapter.

1       **Sec. 6.** RCW 42.17.105 and 1989 c 280 s 11 are each amended to read  
2 as follows:

3       (1) (~~Campaign~~) Treasurers shall prepare and deliver to the  
4 commission a special report regarding any contribution (~~which~~) that:

5       (a) Exceeds five hundred dollars;

6       (b) Is from a single person or entity;

7       (c) Is received before a primary or general election; and

8       (d) Is received: (i) After the period covered by the last report  
9 required by RCW 42.17.080 and 42.17.090 to be filed before that  
10 primary; or (ii) within twenty-one days preceding that general  
11 election.

12       (2) Any political committee making a contribution (~~which~~) that  
13 exceeds five hundred dollars shall also prepare and deliver to the  
14 commission the special report if the contribution is made before a  
15 primary or general election and: (a) After the period covered by the  
16 last report required by RCW 42.17.080 and 42.17.090 to be filed before  
17 that primary; or (b) within twenty-one days preceding that general  
18 election.

19       (3) Except as provided in subsection (4) of this section, the  
20 special report required by this section shall be delivered in written  
21 form, including but not limited to mailgram, telegram, or nightletter.  
22 The special report required by subsection (1) of this section shall be  
23 delivered to the commission within forty-eight hours of the time, or on  
24 the first working day after, the contribution is received by the  
25 candidate or (~~campaign~~) treasurer. The special report required by  
26 subsection (2) of this section and RCW 42.17.175 shall be delivered to  
27 the commission, and the candidate or political committee to whom the  
28 contribution is made, within twenty-four hours of the time, or on the  
29 first working day after, the contribution is made.

1 (4) The special report may be transmitted orally by telephone to  
2 the commission to satisfy the delivery period required by subsection  
3 (3) of this section if the written form of the report is also mailed to  
4 the commission and postmarked within the delivery period established in  
5 subsection (3) of this section.

6 (5) The special report shall include at least:

7 (a) The amount of the contribution;

8 (b) The date of receipt;

9 (c) The name and address of the donor;

10 (d) The name and address of the recipient; and

11 (e) Any other information the commission may by rule require.

12 (6) Contributions reported under this section shall also be  
13 reported as required by other provisions of this chapter. However, a  
14 written report that bears the signature of the candidate, treasurer, or  
15 deputy treasurer and is transmitted via facsimile equipment meets the  
16 reporting requirements of this section.

17 (7) The commission shall (~~publish daily a summary of~~) immediately  
18 upon receipt make available for public inspection and copying the  
19 special reports made under this section and RCW 42.17.175.

20 (8) It is a violation of this chapter for any person to make, or  
21 for any candidate or political committee to accept from any one person,  
22 contributions or payment of a pledge of a contribution reportable under  
23 RCW 42.17.090 in the aggregate exceeding fifty thousand dollars for any  
24 campaign for state-wide office or exceeding five thousand dollars for  
25 any other campaign subject to the provisions of this chapter within  
26 twenty-one days ((of)) before a general election or at any time after  
27 that election. This subsection does not apply to contributions made  
28 by, or accepted from, a major Washington state political party as  
29 defined in RCW 29.01.090.

1       **Sec. 7.** RCW 42.17.135 and 1989 c 280 s 13 are each amended to read  
2 as follows:

3       (1) A candidate or political committee receiving a contribution  
4 earmarked for the benefit of another candidate or political committee  
5 shall:

6       ~~((1))~~ (a) Report the contribution as required in RCW 42.17.080  
7 and 42.17.090;

8       ~~((2))~~ (b) Complete a report, entitled "Earmarked contributions,"  
9 on a form prescribed by the commission by rule, ~~((which))~~ that  
10 identifies the name and address of the person who made the  
11 contribution, the candidate or political committee for whose benefit  
12 the contribution is earmarked, the amount of the contribution, and the  
13 date on which the contribution was received; ~~((and~~

14 ~~(3))~~ (c) Within two working days of receiving the contribution,  
15 notify the commission and the candidate or political committee for  
16 whose benefit the contribution is earmarked regarding the receipt of  
17 the contribution by mailing or delivering to the commission and to the  
18 candidate or committee a copy of the "Earmarked contributions" report  
19 ~~((—Such notice shall be given within two working days of receipt of~~  
20 ~~the contribution.—~~

21 ~~A candidate or political committee receiving notification of an~~  
22 ~~earmarked contribution under subsection (3) of this section shall~~  
23 ~~report the contribution, once the contribution is received by the~~  
24 ~~candidate or committee, in the same manner as the receipt of any other~~  
25 ~~contribution is disclosed in reports required by RCW 42.17.080 and~~  
26 ~~42.17.090.); and~~

27       (d) Not later than the tenth day of the month after the election,  
28 file a report of the total earmarked contributions that have been  
29 received on behalf of each candidate or political committee during the  
30 calendar year, the name of each beneficiary, and the amount expended to

1 or for each beneficiary. This report must be filed with the commission  
2 and county elections officer with whom other reports under this chapter  
3 are filed.

4 (2) If the contribution is spent on behalf of the ultimate  
5 recipient, the person making the expenditure shall notify the  
6 benefitting candidate or committee of the actual amount of funds spent  
7 at the earliest practicable time.

8 (3) A candidate or political committee for whose benefit a  
9 contribution is earmarked shall report the earmarked contribution as  
10 required by RCW 42.17.080 and 42.17.090 and shall list total amount of  
11 the contribution, the name and address of both the original  
12 contributor, and the candidate or political committee who actually  
13 received the contribution.

14 If the candidate or treasurer is subsequently notified that an  
15 earmarked contribution has been spent on behalf of the campaign,  
16 corrected information must be reported on the next report required by  
17 RCW 42.17 080 if the amount actually spent differed from the total  
18 contribution originally reported.

19 **Sec. 8.** RCW 42.17.430 and 1973 c 1 s 43 are each amended to read  
20 as follows:

21 (1) Every report and statement required to be filed under this  
22 chapter shall identify the person preparing it, and shall be certified  
23 as complete and correct, both by the person preparing it and by the  
24 person on whose behalf it is filed.

25 (2) The commission may by rule provide for filing reports by  
26 facsimile device, computer, or other appropriate electronic  
27 transmission.