
HOUSE BILL 2401

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Anderson, McLean, Pruitt, Chandler, O'Brien,
Jacobsen, H. Myers, Ludwig, Basich, Sheldon and May

Read first time 01/16/92. Referred to Committee on State Government.

1 AN ACT Relating to public disclosure of election financing;
2 amending RCW 42.17.090; adding new sections to chapter 42.17 RCW; and
3 creating new sections.

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

5 NEW SECTION. **Sec. 1.** PURPOSE. The purpose of this act is to
6 provide for a more informed electorate by requiring campaign financing
7 disclosure by entities that are not political committees under this
8 chapter and by requiring increased disclosure by political committees
9 that are not domiciled within the state of Washington or that are
10 created primarily for the election of persons to federal offices. For
11 the following reasons, the legislature finds that disclosure of large
12 contributions and large expenditures by such entities or committees is
13 necessary:

1 (1) The term "political committee" is judicially interpreted to
2 mean only entities that have a primary purpose of influencing the
3 political process by supporting or opposing candidates or ballot
4 propositions through the expenditure of funds. This interpretation, in
5 practice, serves to exempt from disclosure requirements many entities
6 that receive and spend substantial sums for campaigns within this
7 state. It is significant that such organizations have played an
8 increasingly important role in the financing of recent campaigns within
9 this state.

10 (2) The manner and extent to which disclosure provisions apply to
11 political committees not domiciled within this state or to political
12 committees created primarily for the election of persons to federal
13 offices is unclear. The administrative practice has been to require
14 them to disclose only those contributions that are for state or local
15 government campaigns and that are received from residents of this state
16 or corporations having a place of business within this state. It is
17 significant that these committees also have assumed an increasingly
18 important role in the financing of campaigns for state and local
19 government office, as well as the financing of state and local
20 government ballot issue campaigns, and that many of their substantial
21 contributions are from nonresident persons or businesses and therefore
22 are exempt from disclosure requirements.

23 NEW SECTION. **Sec. 2.** DISCLOSURE BY ENTITIES THAT ARE NOT
24 POLITICAL COMMITTEES. (1) For purposes of this section and section 3
25 of this act, "large contribution" means a contribution or aggregate of
26 contributions made by one person to an entity during any calendar year
27 that is in excess of, or has a value in excess of, one thousand
28 dollars; "large expenditure" means an expenditure or aggregate of
29 expenditures made by an entity to one person during any calendar year

1 that is in excess of, or has a value in excess of, one thousand
2 dollars. The term "large expenditure" does not include an "independent
3 campaign expenditure" as defined under RCW 42.17.100.

4 (2) Each entity, whether domiciled or doing business within or
5 without this state, that is not a political committee and that receives
6 a large contribution or makes a large expenditure, shall, within ten
7 days of receipt of the contribution or making of the expenditure, file
8 with the commission a report containing the following information:

9 (a) The entity's name and address;

10 (b) The entity's purposes;

11 (c) The names, addresses, and titles of its officers or if it has
12 no officers, the names, addresses, and titles of the entity's
13 responsible leaders;

14 (d) The name, office sought, and party affiliation of each
15 candidate for office within the state of Washington for whom it has
16 accepted the contribution or made the expenditure, except that if it
17 has accepted the contribution or made the expenditure on behalf of the
18 entire Washington state ticket of any party, it need provide only the
19 name of the party;

20 (e) The identity of the ballot proposition within the state of
21 Washington for which proposition it has accepted the contribution or
22 made the expenditure, and whether it is in favor of or opposed to such
23 proposition;

24 (f) The name and address of the contributor of the large
25 contribution, together with the amount of the contribution;

26 (g) The name and address of each person to whom a major expenditure
27 was made, together with the amount of the expenditure; and

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

1 (3) An entity incurring an obligation under this section to file
2 more than one report in a calendar year may satisfy the obligation to
3 file the additional reports by filing with the commission a letter
4 providing updating or amending information.

5 NEW SECTION. **Sec. 3.** DISCLOSURE BY OUT-OF-STATE POLITICAL
6 COMMITTEES AND POLITICAL COMMITTEES FOR FEDERAL OFFICE. (1) The
7 commission may adopt rules applying the disclosure provisions of
8 subsection (2) of this section to political committees that (a) either
9 are not domiciled in this state or are involved primarily in federal
10 election campaigns, and (b) in the commission's opinion, receive
11 significant contributions, or make significant expenditures, to promote
12 the election or defeat of any candidate for state or local office
13 within this state or the passage or defeat of any ballot proposition
14 within this state.

15 (2) A political committee to which this subsection applies shall
16 file the report specified in this subsection only if the committee has
17 received either a small contribution from a resident or a large
18 contribution, or if the political committee has made a large
19 expenditure. For purposes of this section, "small contribution" means
20 any contribution or aggregate of contributions during the calendar year
21 that is in excess of twenty-five dollars and that is made by any person
22 residing in this state or by any corporation having a place of business
23 in this state. "Large contribution" and "large expenditure" have the
24 definitions in section 2 of this act. Within ten days after receiving
25 a small contribution or a large contribution or of making a large
26 expenditure, a committee to which this subsection applies shall file a
27 report with the commission containing the following information:

28 (a) The committee's name and address;

29 (b) The committee's purposes;

1 (c) The names, addresses, and titles of its officers or if it has
2 no officers, the names, addresses, and titles of the committee's
3 responsible leaders;

4 (d) The name, office sought, and party affiliation of each
5 candidate for office within the state of Washington for whom it has
6 accepted a large contribution or made a large expenditure, except that
7 if it has accepted the contribution or made the expenditure on behalf
8 of the entire Washington state ticket of any party, it need provide
9 only the name of the party;

10 (e) The identity of the ballot proposition within the state of
11 Washington for which proposition it has accepted a small contribution,
12 large contribution, or made a large expenditure, and whether it is in
13 favor of or opposed to such proposition;

14 (f) The name and address of the contributor of each small and large
15 contribution, together with the amount of each contribution;

16 (g) The name and address of each person to whom a major expenditure
17 was made, together with the amount of the expenditure; and

18 (h) Such other information as the commission may prescribe by rule,
19 in keeping with the policies and purposes of this chapter.

20 (3) An entity incurring an obligation under this section to file
21 more than one report in a calendar year may satisfy the obligation to
22 file the additional reports by filing with the commission a letter
23 providing updating or amending information.

24 (4) A political committee that is not required to report under
25 subsection (2) of this section but that receives a contribution from
26 another committee that is required to report the contribution under the
27 subsection may not use the contribution until the other committee
28 reports it. If the other committee fails to report the contribution
29 within thirty days after making it, the receiving committee shall
30 immediately return it.

1 **Sec. 4.** RCW 42.17.090 and 1989 c 280 s 9 are each amended to read
2 as follows:

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

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

6 (b) The name and address of each person who has made one or more
7 contributions during the period, together with the money value and date
8 of such contributions and the aggregate value of all contributions
9 received from each such person during the campaign or in the case of a
10 continuing political committee, the current calendar year: PROVIDED,
11 That pledges in the aggregate of less than one hundred dollars from any
12 one person need not be reported: PROVIDED FURTHER, That the income
13 which results from a fund-raising activity conducted in accordance with
14 RCW 42.17.067 may be reported as one lump sum, with the exception of
15 that portion of such income which was received from persons whose names
16 and addresses are required to be included in the report required by RCW
17 42.17.067: PROVIDED FURTHER, That contributions of no more than
18 twenty-five dollars in the aggregate from any one person during the
19 election campaign may be reported as one lump sum so long as the
20 campaign treasurer maintains a separate and private list of the name,
21 address, and amount of each such contributor: PROVIDED FURTHER, That
22 the money value of contributions of postage shall be the face value of
23 such postage;

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

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

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

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

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

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

27 (i) The disposition made in accordance with RCW 42.17.095 of any
28 surplus funds; and

1 (j) Such other information as shall be required by the commission
2 by rule in conformance with the policies and purposes of this
3 chapter(~~(i) and~~

4 ~~(k) Funds received from a political committee not otherwise~~
5 ~~required to report under this chapter (a "nonreporting committee").~~
6 ~~Such funds shall be forfeited to the state of Washington unless the~~
7 ~~nonreporting committee has filed or within ten days following such~~
8 ~~receipt files with the commission a statement disclosing: (i) its name~~
9 ~~and address; (ii) the purposes of the nonreporting committee; (iii) the~~
10 ~~names, addresses, and titles of its officers or if it has no officers,~~
11 ~~the names, addresses, and titles of its responsible leaders; (iv) the~~
12 ~~name, office sought, and party affiliation of each candidate in the~~
13 ~~state of Washington whom the nonreporting committee is supporting, and,~~
14 ~~if such committee is supporting the entire ticket of any party, the~~
15 ~~name of the party; (v) the ballot proposition supported or opposed in~~
16 ~~the state of Washington, if any, and whether such committee is in favor~~
17 ~~of or opposed to such proposition; (vi) the name and address of each~~
18 ~~person residing in the state of Washington or corporation which has a~~
19 ~~place of business in the state of Washington who has made one or more~~
20 ~~contributions in the aggregate of more than twenty five dollars to the~~
21 ~~nonreporting committee during the current calendar year, together with~~
22 ~~the money value and date of such contributions; (vii) the name and~~
23 ~~address of each person in the state of Washington to whom an~~
24 ~~expenditure was made by the nonreporting committee on behalf of a~~
25 ~~candidate or political committee in the aggregate amount of more than~~
26 ~~fifty dollars, the amount, date, and purpose of such expenditure, and~~
27 ~~the total sum of such expenditures; (viii) such other information as~~
28 ~~the commission may prescribe by rule, in keeping with the policies and~~
29 ~~purposes of this chapter. A nonreporting committee incurring an~~
30 ~~obligation to file additional reports in a calendar year may satisfy~~

1 ~~the obligation by filing with the commission a letter providing~~
2 ~~updating or amending information)).~~

3 (2) The treasurer and the candidate shall certify the correctness
4 of each report.

5 NEW SECTION. **Sec. 5.** Captions used in this act do not constitute
6 part of the law.

7 NEW SECTION. **Sec. 6.** Sections 2 and 3 of this act are each added
8 to chapter 42.17 RCW.