

**SENATE BILL 5088**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** Senators Talmadge, Skratek, A. Smith and Rasmussen.

Read first time January 18, 1991.      Referred to Committee on  
Governmental Operations.

1            AN ACT Relating to public disclosure of gifts to public officials;  
2 and amending RCW 42.17.020 and 42.17.241.

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

4            **Sec. 1.** RCW 42.17.020 and 1990 c 139 s 2 are each amended to read  
5 as follows:

6            (1) "Agency" includes all state agencies and all local agencies.  
7 "State agency" includes every state office, department, division,  
8 bureau, board, commission, or other state agency. "Local agency"  
9 includes every county, city, town, municipal corporation, quasi-  
10 municipal corporation, or special purpose district, or any office,  
11 department, division, bureau, board, commission, or agency thereof, or  
12 other local public agency.

13            (2) "Ballot proposition" means any "measure" as defined by RCW  
14 29.01.110, or any initiative, recall, or referendum proposition  
15 proposed to be submitted to the voters of the state or any municipal

1 corporation, political subdivision, or other voting constituency from  
2 and after the time when the proposition has been initially filed with  
3 the appropriate election officer of that constituency prior to its  
4 circulation for signatures.

5 (3) "Depository" means a bank designated by a candidate or  
6 political committee pursuant to RCW 42.17.050.

7 (4) "Treasurer" and "deputy treasurer" mean the individuals  
8 appointed by a candidate or political committee, pursuant to RCW  
9 42.17.050, to perform the duties specified in that section.

10 (5) "Candidate" means any individual who seeks election to public  
11 office. An individual shall be deemed to seek election when he or she  
12 first:

13 (a) Receives contributions or makes expenditures or reserves space  
14 or facilities with intent to promote his or her candidacy for office;  
15 or

16 (b) Announces publicly or files for office.

17 (6) "Commercial advertiser" means any person who sells the service  
18 of communicating messages or producing printed material for broadcast  
19 or distribution to the general public or segments of the general public  
20 whether through the use of newspapers, magazines, television and radio  
21 stations, billboard companies, direct mail advertising companies,  
22 printing companies, or otherwise.

23 (7) "Commission" means the agency established under RCW 42.17.350.

24 (8) "Compensation" unless the context requires a narrower meaning,  
25 includes payment in any form for real or personal property or services  
26 of any kind: PROVIDED, That for the purpose of compliance with RCW  
27 42.17.241, the term "compensation" shall not include per diem  
28 allowances or other payments made by a governmental entity to reimburse  
29 a public official for expenses incurred while the official is engaged  
30 in the official business of the governmental entity.

1 (9) "Continuing political committee" means a political committee  
2 that is an organization of continuing existence not established in  
3 anticipation of any particular election campaign.

4 (10) "Contribution" includes a loan, gift, deposit, subscription,  
5 forgiveness of indebtedness, donation, advance, pledge, payment,  
6 transfer of funds between political committees, or transfer of anything  
7 of value, including personal and professional services for less than  
8 full consideration, but does not include interest on moneys deposited  
9 in a political committee's account, ordinary home hospitality and the  
10 rendering of personal services of the sort commonly performed by  
11 volunteer campaign workers, or incidental expenses personally incurred  
12 by volunteer campaign workers not in excess of fifty dollars personally  
13 paid for by the worker. Volunteer services, for the purposes of this  
14 chapter, means services or labor for which the individual is not  
15 compensated by any person. For the purposes of this chapter,  
16 contributions other than money or its equivalents shall be deemed to  
17 have a money value equivalent to the fair market value of the  
18 contribution. Sums paid for tickets to fund-raising events such as  
19 dinners and parties are contributions; however, the amount of any such  
20 contribution may be reduced for the purpose of complying with the  
21 reporting requirements of this chapter, by the actual cost of  
22 consumables furnished in connection with the purchase of the tickets,  
23 and only the excess over the actual cost of the consumables shall be  
24 deemed a contribution.

25 (11) "Elected official" means any person elected at a general or  
26 special election to any public office, and any person appointed to fill  
27 a vacancy in any such office.

28 (12) "Election" includes any primary, general, or special election  
29 for public office and any election in which a ballot proposition is  
30 submitted to the voters: PROVIDED, That an election in which the

1 qualifications for voting include other than those requirements set  
2 forth in Article VI, section 1 (Amendment 63) of the Constitution of  
3 the state of Washington shall not be considered an election for  
4 purposes of this chapter.

5 (13) "Election campaign" means any campaign in support of or in  
6 opposition to a candidate for election to public office and any  
7 campaign in support of, or in opposition to, a ballot proposition.

8 (14) "Expenditure" includes a payment, contribution, subscription,  
9 distribution, loan, advance, deposit, or gift of money or anything of  
10 value, and includes a contract, promise, or agreement, whether or not  
11 legally enforceable, to make an expenditure. The term "expenditure"  
12 also includes a promise to pay, a payment, or a transfer of anything of  
13 value in exchange for goods, services, property, facilities, or  
14 anything of value for the purpose of assisting, benefiting, or honoring  
15 any public official or candidate, or assisting in furthering or  
16 opposing any election campaign. For the purposes of this chapter,  
17 agreements to make expenditures, contracts, and promises to pay may be  
18 reported as estimated obligations until actual payment is made. The  
19 term "expenditure" shall not include the partial or complete repayment  
20 by a candidate or political committee of the principal of a loan, the  
21 receipt of which loan has been properly reported.

22 (15) "Final report" means the report described as a final report in  
23 RCW 42.17.080(2).

24 (16) "Gift" means a rendering of money, property, services,  
25 discount, loan forgiveness, payment of indebtedness, reimbursements  
26 from or payments by persons, other than the state of Washington or any  
27 agency or political subdivision thereof, for travel or anything else of  
28 value in excess of ten dollars in return for which legal consideration  
29 of equal or greater value is not given and received but does not  
30 include:

1       (a) Any contribution that is required to be reported under RCW  
2 42.17.090 or 42.17.243;

3       (b) Any informational material that is transferred for the purpose  
4 of informing the recipient about matters pertaining to official agency  
5 business, and that is not intended to financially benefit that  
6 recipient;

7       (c) Any symbolic presentation that is not intended to financially  
8 benefit the recipient;

9       (d) Any honorarium that is required to be reported under this  
10 chapter;

11       (e) Any hosting in the form of entertainment, meals, or  
12 refreshments, the value of which does not exceed one hundred dollars,  
13 furnished in connection with official appearances, official ceremonies,  
14 and occasions where official agency business is discussed;

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

19       (g) Intrafamily gifts; or

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

23       (17) "Immediate family" includes the spouse, dependent children,  
24 and other dependent relatives, if living in the household.

25       ~~((17))~~ (18) "Legislation" means bills, resolutions, motions,  
26 amendments, nominations, and other matters pending or proposed in  
27 either house of the state legislature, and includes any other matter  
28 that may be the subject of action by either house or any committee of  
29 the legislature and all bills and resolutions that, having passed both  
30 houses, are pending approval by the governor.

1       (~~(18)~~) (19) "Lobby" and "lobbying" each mean attempting to  
2 influence the passage or defeat of any legislation by the legislature  
3 of the state of Washington, or the adoption or rejection of any rule,  
4 standard, rate, or other legislative enactment of any state agency  
5 under the state Administrative Procedure Act, chapter 34.05 RCW.  
6 Neither "lobby" nor "lobbying" includes an association's or other  
7 organization's act of communicating with the members of that  
8 association or organization.

9       (~~(19)~~) (20) "Lobbyist" includes any person who lobbies either in  
10 his or her own or another's behalf.

11       (~~(20)~~) (21) "Lobbyist's employer" means the person or persons by  
12 whom a lobbyist is employed and all persons by whom he or she is  
13 compensated for acting as a lobbyist.

14       (~~(21)~~) (22) "Person" includes an individual, partnership, joint  
15 venture, public or private corporation, association, federal, state, or  
16 local governmental entity or agency however constituted, candidate,  
17 committee, political committee, political party, executive committee  
18 thereof, or any other organization or group of persons, however  
19 organized.

20       (~~(22)~~) (23) "Person in interest" means the person who is the  
21 subject of a record or any representative designated by that person,  
22 except that if that person is under a legal disability, the term  
23 "person in interest" means and includes the parent or duly appointed  
24 legal representative.

25       (~~(23)~~) (24) "Political advertising" includes any advertising  
26 displays, newspaper ads, billboards, signs, brochures, articles,  
27 tabloids, flyers, letters, radio or television presentations, or other  
28 means of mass communication, used for the purpose of appealing,  
29 directly or indirectly, for votes or for financial or other support in  
30 any election campaign.

1       (~~(24)~~) (25) "Political committee" means any person (except a  
2 candidate or an individual dealing with his or her own funds or  
3 property) having the expectation of receiving contributions or making  
4 expenditures in support of, or opposition to, any candidate or any  
5 ballot proposition.

6       (~~(25)~~) (26) "Public office" means any federal, state, county,  
7 city, town, school district, port district, special district, or other  
8 state political subdivision elective office.

9       (~~(26)~~) (27) "Public record" includes any writing containing  
10 information relating to the conduct of government or the performance of  
11 any governmental or proprietary function prepared, owned, used, or  
12 retained by any state or local agency regardless of physical form or  
13 characteristics.

14       (~~(27)~~) (28) "Surplus funds" mean, in the case of a political  
15 committee or candidate, the balance of contributions that remain in the  
16 possession or control of that committee or candidate subsequent to the  
17 election for which the contributions were received, and that are in  
18 excess of the amount necessary to pay remaining debts incurred by the  
19 committee or candidate prior to that election. In the case of a  
20 continuing political committee, "surplus funds" mean those  
21 contributions remaining in the possession or control of the committee  
22 that are in excess of the amount necessary to pay all remaining debts  
23 when it makes its final report under RCW 42.17.065.

24       (~~(28)~~) (29) "Writing" means handwriting, typewriting, printing,  
25 photostating, photographing, and every other means of recording any  
26 form of communication or representation, including letters, words,  
27 pictures, sounds, or symbols, or combination thereof, and all papers,  
28 maps, magnetic or paper tapes, photographic films and prints, magnetic  
29 or punched cards, discs, drums, and other documents.

1 As used in this chapter, the singular shall take the plural and any  
2 gender, the other, as the context requires.

3 **Sec. 2.** RCW 42.17.241 and 1984 c 34 s 3 are each amended to read  
4 as follows:

5 (1) The statement of financial affairs required by RCW 42.17.240  
6 shall disclose for the reporting individual and each member of his or  
7 her immediate family:

8 (a) Occupation, name of employer, and business address; and

9 (b) Each bank or savings account or insurance policy in which any  
10 such person or persons owned a direct financial interest that exceeded  
11 five thousand dollars at any time during the reporting period; each  
12 other item of intangible personal property in which any such person or  
13 persons owned a direct financial interest, the value of which exceeded  
14 five hundred dollars during the reporting period; the name, address,  
15 and nature of the entity; and the nature and highest value of each such  
16 direct financial interest during the reporting period; and

17 (c) The name and address of each creditor to whom the value of five  
18 hundred dollars or more was owed; the original amount of each debt to  
19 each such creditor; the amount of each debt owed to each creditor as of  
20 the date of filing; the terms of repayment of each such debt; and the  
21 security given, if any, for each such debt: PROVIDED, That debts  
22 arising out of a "retail installment transaction" as defined in chapter  
23 63.14 RCW (Retail Installment Sales Act) need not be reported; and

24 (d) Every public or private office, directorship, and position held  
25 as trustee; and

26 (e) All persons for whom any legislation, rule, rate, or standard  
27 has been prepared, promoted, or opposed for current or deferred  
28 compensation: PROVIDED, That for the purposes of this subsection,  
29 "compensation" does not include payments made to the person reporting



1 by the governmental entity for which such person serves as an elected  
2 official or state executive officer or professional staff member for  
3 his or her service in office; the description of such actual or  
4 proposed legislation, rules, rates, or standards; and the amount of  
5 current or deferred compensation paid or promised to be paid; and

6 (f) The name and address of each governmental entity, corporation,  
7 partnership, joint venture, sole proprietorship, association, union, or  
8 other business or commercial entity from whom compensation has been  
9 received in any form of a total value of five hundred dollars or more;  
10 the value of the compensation; and the consideration given or performed  
11 in exchange for the compensation; and

12 (g) The name of any corporation, partnership, joint venture,  
13 association, union, or other entity in which is held any office,  
14 directorship, or any general partnership interest, or an ownership  
15 interest of ten percent or more; the name or title of that office,  
16 directorship, or partnership; the nature of ownership interest; and  
17 with respect to each such entity: (i) With respect to a governmental  
18 unit in which the official seeks or holds any office or position, if  
19 the entity has received compensation in any form during the preceding  
20 twelve months from the governmental unit, the value of the compensation  
21 and the consideration given or performed in exchange for the  
22 compensation; (ii) the name of each governmental unit, corporation,  
23 partnership, joint venture, sole proprietorship, association, union, or  
24 other business or commercial entity from which the entity has received  
25 compensation in any form in the amount of two thousand five hundred  
26 dollars or more during the preceding twelve months and the  
27 consideration given or performed in exchange for the compensation:  
28 PROVIDED, That the term "compensation" for purposes of this subsection  
29 (1)(g)(ii) does not include payment for water and other utility  
30 services at rates approved by the Washington state utilities and

1 transportation commission or the legislative authority of the public  
2 entity providing the service: PROVIDED, FURTHER, That with respect to  
3 any bank or commercial lending institution in which is held any office,  
4 directorship, partnership interest, or ownership interest, it shall  
5 only be necessary to report either the name, address, and occupation of  
6 every director and officer of the bank or commercial lending  
7 institution and the average monthly balance of each account held during  
8 the preceding twelve months by the bank or commercial lending  
9 institution from the governmental entity for which the individual is an  
10 official or candidate or professional staff member, or all interest  
11 paid by a borrower on loans from and all interest paid to a depositor  
12 by the bank or commercial lending institution if the interest exceeds  
13 six hundred dollars; and

14 (h) A list, including legal or other sufficient descriptions as  
15 prescribed by the commission, of all real property in the state of  
16 Washington, the assessed valuation of which exceeds two thousand five  
17 hundred dollars in which any direct financial interest was acquired  
18 during the preceding calendar year, and a statement of the amount and  
19 nature of the financial interest and of the consideration given in  
20 exchange for that interest; and

21 (i) A list, including legal or other sufficient descriptions as  
22 prescribed by the commission, of all real property in the state of  
23 Washington, the assessed valuation of which exceeds two thousand five  
24 hundred dollars in which any direct financial interest was divested  
25 during the preceding calendar year, and a statement of the amount and  
26 nature of the consideration received in exchange for that interest, and  
27 the name and address of the person furnishing the consideration; and

28 (j) A list, including legal or other sufficient descriptions as  
29 prescribed by the commission, of all real property in the state of  
30 Washington, the assessed valuation of which exceeds two thousand five

1 hundred dollars in which a direct financial interest was held:  
2 PROVIDED, That if a description of the property has been included in a  
3 report previously filed, the property may be listed, for purposes of  
4 this provision, by reference to the previously filed report; and

5 (k) A list, including legal or other sufficient descriptions as  
6 prescribed by the commission, of all real property in the state of  
7 Washington, the assessed valuation of which exceeds five thousand  
8 dollars, in which a corporation, partnership, firm, enterprise, or  
9 other entity had a direct financial interest, in which corporation,  
10 partnership, firm, or enterprise a ten percent or greater ownership  
11 interest was held; and

12 (l) The name and address of each person who has made one or more  
13 gifts, together with a description of each gift including its monetary  
14 value, the date of the gift, and the aggregate value of all gifts  
15 received from each person during the reporting period; and

16 (m) Such other information as the commission may deem necessary in  
17 order to properly carry out the purposes and policies of this chapter,  
18 as the commission shall prescribe by rule.

19 (2) Where an amount is required to be reported under subsection  
20 (1)(~~(, paragraphs)~~) (a) through (k) of this section, it shall be  
21 sufficient to comply with the requirement to report whether the amount  
22 is less than one thousand dollars, at least one thousand dollars but  
23 less than five thousand dollars, at least five thousand dollars but  
24 less than ten thousand dollars, at least ten thousand dollars but less  
25 than twenty-five thousand dollars, or twenty-five thousand dollars or  
26 more. An amount of stock may be reported by number of shares instead  
27 of by market value. No provision of this subsection may be interpreted  
28 to prevent any person from filing more information or more detailed  
29 information than required.