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**SUBSTITUTE HOUSE BILL 2433**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Peery, Ballard, G. Fisher, Foreman, Linville, Pruitt, Wineberry, Silver, Van Luven, L. Johnson, Cooke, Dunshee, Horn, Appelwick, Thibaudeau, Forner, Wang, H. Myers, Romero, Fuhrman, Wood, Valle, Brumsickle, Mastin, Finkbeiner, Ballasiotes, Chandler, Brough, Morris, Lemmon, Ogden, Springer, Quall, Wolfe, McMorris, Moak, Dorn, Sheahan, Carlson, R. Fisher, Karahalios, Johanson, Campbell, Edmondson, Cothorn, Kessler, Basich, J. Kohl, Conway, Jones, Shin, Sheldon, King, Orr, Patterson, Eide, Dellwo, Rayburn, Roland and Anderson)

Read first time 02/02/94.

1 AN ACT Relating to providing open government through unedited  
2 televised coverage of state government proceedings; adding new sections  
3 to chapter 82.04 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7 (1) In computing tax under this chapter, a credit may be allowed  
8 against the tax owed equal to the amount of monetary contributions made  
9 by a person taxable under this chapter to a public news organization as  
10 defined in section 2 of this act.

11 (2) The credit must be taken against taxes due for the same  
12 calendar year as the monetary donation, and may not exceed the amount  
13 of tax otherwise due under this chapter for the calendar year during  
14 which the donation was made. Unused excess credit may not be carried  
15 over to the next calendar year.

16 (3) A person claiming the credit shall file an affidavit form  
17 prescribed by the department. The affidavit shall be verified by both  
18 the donor and the public news organization, and shall include the date

1 and amount of the donation and additional information as the department  
2 may require by rule.

3 (4) The department shall keep a running total of credits granted  
4 under this section during each calendar year. The department shall not  
5 allow the aggregate amount of credits taken under this section by all  
6 persons making cash donations to a public news organization to exceed  
7 one million seven hundred fifty thousand dollars during calendar year  
8 1994. The department shall adjust this aggregate allowable amount  
9 annually thereafter by the rate of inflation as indicated by the  
10 consumer price index for the Seattle, Washington area as compiled by  
11 the bureau of labor statistics of the United States department of  
12 labor, based on the prior year's increase.

13 (5) This section shall expire December 31, 2000.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW  
15 to read as follows:

16 (1) This chapter shall not apply to amounts received by a public  
17 news organization as compensation for, or to support, unedited  
18 television coverage of state legislative proceedings and other  
19 proceedings of state-wide significance.

20 (2) "Public news organization" means a public benefit nonprofit  
21 organization, in existence on the effective date of this act, that  
22 exists solely to produce unedited televised coverage of state  
23 legislative proceedings and other proceedings of state-wide  
24 significance, that is a not-for-profit corporation under chapter 24.03  
25 RCW, and that is managed by a governing board of not less than eight  
26 individuals none of whom is a paid employee of the organization.  
27 "Public benefit nonprofit organization" as used in this section means  
28 an organization exempt from tax under section 501(c)(3) of the federal  
29 internal revenue code, as in effect on January 1, 1994, or subsequent  
30 date provided by the director by rule, consistent with the purposes of  
31 this section. In addition, in order to be exempt under this section,  
32 a corporation shall satisfy the following conditions:

33 (a) No part of its income may be paid directly or indirectly to its  
34 members, stockholders, officers, directors, or trustees except in the  
35 form of services rendered by the corporation in accordance with its  
36 purposes and bylaws;

37 (b) Salary or compensation paid to its officers and executives must  
38 be only for actual services rendered;

1 (c) Assets of the corporation must be irrevocably dedicated to the  
2 activities for which the exemption is granted and, on the liquidation,  
3 dissolution, or abandonment by the corporation, may not inure directly  
4 or indirectly to the benefit of any member or individual except a  
5 nonprofit organization, association, or corporation that also would be  
6 entitled to the exemption;

7 (d) The amounts received qualifying for exemption must be used for  
8 the activities for which the exemption is granted.

9 (3) "State legislative proceedings" means meetings, hearings,  
10 deliberations, and other proceedings of or before the Washington state  
11 senate, the Washington state house of representatives, or a committee  
12 or subcommittee of either.

13 (4) "Other proceedings of state-wide significance" includes  
14 meetings, hearings, deliberations, and other proceedings of or before  
15 the executive or judicial branch of Washington state government or a  
16 Washington state agency, department, board, or commission. The term  
17 also includes press conferences and other public gatherings or events,  
18 concerning issues of interest to Washington state residents.

19 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
20 preservation of the public peace, health, or safety, or support of the  
21 state government and its existing public institutions, and shall take  
22 effect immediately.

23 NEW SECTION. **Sec. 4.** If any provision of this act or its  
24 application to any person or circumstance is held invalid, the  
25 remainder of the act or the application of the provision to other  
26 persons or circumstances is not affected.

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