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HOUSE BILL 1005

State of Washington 63rd Legislature 2013 Regular Session

By Representatives Moeller, Wylie, Reykdal, Appleton, Ryu, Morrell, McCoy, Seaquist, Moscoso, Hudgins, Ormsby, and Pollet

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- 1 AN ACT Relating to the public disclosure commission concerning 2 responsibilities and funding; amending RCW 42.52.320, 42.52.360, 42.52.390, 42.52.400, 42.52.410, 42.52.420, 3 42.52.425, 42.52.430, 42.52.440, 42.52.450, 42.52.460, 42.52.470, 4 42.52.480, 42.52.490, 42.52.500, 42.52.510, 42.52.530, 42.52.540, 42.17A.100, 42.17A.705, 5 6 42.40.020, and 43.15.020; reenacting and amending RCW 42.52.010 and 7 9.95.003; adding new sections to chapter 42.17A RCW; creating new sections; repealing RCW 42.52.310, 42.52.340, 42.52.350, 42.52.380, and 8 9 42.52.550; providing effective dates; and declaring an emergency.
- 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 11 NEW SECTION. Sec. 1. The legislature intends to restructure 12 ethics functions under the public disclosure commission in order to 13 unify processes and functions and cut costs. The legislature also 14 finds that the public is entitled to complete disclosure regarding the 15 influence of money in politics. Therefore, the legislature intends to 16 increase disclosure by requiring electronic filing by lobbyists.
- NEW SECTION. Sec. 2. A new section is added to chapter 42.17A RCW to read as follows:

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- 1 (1) All agencies required to report under RCW 42.17A.635 must file 2 all reports required by this chapter electronically over the internet 3 as provided by the commission under RCW 42.17A.055.
- 4 (2) No later than January 1, 2014, all lobbyists and lobbyists' employers required to file reports under RCW 42.17A.600, 42.17A.615, 6 42.17A.625, or 42.17A.630 must file all reports required by this chapter electronically over the internet as provided by the commission under RCW 42.17A.055.
- 9 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 42.17A RCW to read as follows:
- 11 (1) The following persons and individuals must pay an annual fee to the commission:
 - (a) Every political committee must pay a fee of two hundred dollars to the commission each calendar year that it is required to report under RCW 42.17A.205, 42.17A.210, 42.17A.220, 42.17A.225, 42.17A.235, or 42.17A.250;
 - (b) Every lobbyist whose total reportable accrued compensation for lobbying, whether from or on behalf of one or more lobbyists' employers, was ten thousand dollars or more for the previous calendar year must pay a fee of two hundred dollars to the commission each calendar year that it is required to report under RCW 42.17A.600, 42.17A.615, 42.17A.630, or 42.17A.640;
 - (c) Every lobbyist employer whose total reportable accrued expenses and payments for lobbying, including those through or on behalf of one or more lobbyists, was ten thousand dollars or more for the previous calendar year, must pay a fee of two hundred dollars to the commission each calendar year that it is required to report under RCW 42.17A.600, 42.17A.615, 42.17A.630, or 42.17A.640;
- (d) Every government entity that employs more than fifty full-time equivalent employees must pay a fee of one hundred fifty dollars each calendar year that it is required to report under RCW 42.17A.635(5); and
- 33 (e) Every elected official that receives a salary or compensation 34 for duties performed related to that office in excess of ten thousand 35 dollars and is required to report under RCW 42.17A.700 must pay a fee 36 of two hundred dollars to the commission for each calendar year he or 37 she is an elected official and is required to report.

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- 1 (2) No person or individual may be required to pay more than one 2 fee in a calendar year under this section. Any person may appeal a fee 3 to the commission if more than one fee under this section is imposed on 4 the person in a calendar year.
- 5 (3) The commission shall adopt rules and procedures to implement 6 this section.
- NEW SECTION. Sec. 4. A new section is added to chapter 42.17A RCW to read as follows:

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- (1) The public disclosure electronic filing account is created in the custody of the state treasurer. All receipts from fees paid under section 3 of this act must be deposited into the account. Expenditures from the account may be used only for costs incurred as a result of the design, development, implementation, and maintenance of:
- 14 (a) Computer hardware and software or other applications to 15 accommodate electronic filing of the reports required by this chapter; 16 and
 - (b) A database and query system compatible with current architecture, technology, and operating systems that result in readily available data to the public for review and analysis.
 - (2) Only the executive director of the public disclosure commission, or the executive director's designee, may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.
 - **Sec. 5.** RCW 42.52.010 and 2011 c 60 s 28 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Agency" means any state board, commission, bureau, committee, department, institution, division, or tribunal in the legislative, executive, or judicial branch of state government. "Agency" includes all elective offices, the state legislature, those institutions of higher education created and supported by the state government, and those courts that are parts of state government.
- 35 (2) "Assist" means to act, or offer or agree to act, in such a way 36 as to help, aid, advise, furnish information to, or otherwise provide

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assistance to another person, believing that the action is of help, aid, advice, or assistance to the person and with intent so to assist such person.

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- (3) "Beneficial interest" has the meaning ascribed to it under the Washington case law. However, an ownership interest in a mutual fund or similar investment pooling fund in which the owner has no management powers does not constitute a beneficial interest in the entities in which the fund or pool invests.
- 9 (4) <u>"Commission" means the commission on judicial conduct or the</u>
 10 <u>public disclosure commission.</u>
- 11 <u>(5)</u> "Compensation" means anything of economic value, however 12 designated, that is paid, loaned, granted, or transferred, or to be 13 paid, loaned, granted, or transferred for, or in consideration of, 14 personal services to any person.
- $((\frac{(5)}{(5)}))$ <u>(6)</u> "Confidential information" means (a) specific information, rather than generalized knowledge, that is not available to the general public on request or (b) information made confidential by law.
 - ((+6))) (7) "Contract" or "grant" means an agreement between two or more persons that creates an obligation to do or not to do a particular thing. "Contract" or "grant" includes, but is not limited to, an employment contract, a lease, a license, a purchase agreement, or a sales agreement.
- 24 (((7) "Ethics boards" means the commission on judicial conduct, the 25 legislative ethics board, and the executive ethics board.))
- 26 (8) "Family" has the same meaning as "immediate family" in RCW 27 42.17A.005.
 - (9) "Gift" means anything of economic value for which no consideration is given. "Gift" does not include:
 - (a) Items from family members or friends where it is clear beyond a reasonable doubt that the gift was not made as part of any design to gain or maintain influence in the agency of which the recipient is an officer or employee;
- 34 (b) Items related to the outside business of the recipient that are 35 customary and not related to the recipient's performance of official 36 duties;
- 37 (c) Items exchanged among officials and employees or a social event 38 hosted or sponsored by a state officer or state employee for coworkers;

(d) Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in an official capacity. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;

- (e) Items a state officer or state employee is authorized by law to accept;
- (f) Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide governmental or nonprofit professional, educational, trade, or charitable association or institution. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;
- (g) Items returned by the recipient to the donor within thirty days of receipt or donated to a charitable organization within thirty days of receipt;
 - (h) Campaign contributions reported under chapter 42.17A RCW;
 - (i) Discounts available to an individual as a member of an employee group, occupation, or similar broad-based group; and
 - (j) Awards, prizes, scholarships, or other items provided in recognition of academic or scientific achievement.
 - (10) "Head of agency" means the chief executive officer of an agency. In the case of an agency headed by a commission, board, committee, or other body consisting of more than one natural person, agency head means the person or board authorized to appoint agency employees and regulate their conduct.
 - (11) "Honorarium" means money or thing of value offered to a state officer or state employee for a speech, appearance, article, or similar item or activity in connection with the state officer's or state employee's official role.
 - (12) "Official duty" means those duties within the specific scope of employment of the state officer or state employee as defined by the officer's or employee's agency or by statute or the state Constitution.
 - (13) "Participate" means to participate in state action or a proceeding personally and substantially as a state officer or state employee, through approval, disapproval, decision, recommendation, the

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rendering of advice, investigation, or otherwise but does not include preparation, consideration, or enactment of legislation or the performance of legislative duties.

- (14) "Person" means any individual, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit.
- (15) "Regulatory agency" means any state board, commission, department, or officer, except those in the legislative or judicial branches, authorized by law to conduct adjudicative proceedings, issue permits or licenses, or to control or affect interests of identified persons.
- (16) "Responsibility" in connection with a transaction involving the state, means the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or through subordinates, effectively to approve, disapprove, or otherwise direct state action in respect of such transaction.
 - (17) "State action" means any action on the part of an agency, including, but not limited to:
 - (a) A decision, determination, finding, ruling, or order; and
 - (b) A grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.
 - (18) "State employee" means an individual who is employed by an agency in any branch of state government. For purposes of this chapter, employees of the superior courts are not state officers or state employees.
- (19) "State officer" means every person holding a position of public trust in or under an executive, legislative, or judicial office of the state. "State officer" includes judges of the superior court, judges of the court of appeals, justices of the supreme court, members of the legislature together with the secretary of the senate and the chief clerk of the house of representatives, holders of elective offices in the executive branch of state government, chief executive officers of state agencies, members of boards, commissions, or committees with authority over one or more state agencies or institutions, and employees of the state who are engaged in supervisory, policy-making, or policy-enforcing work. For the purposes

of this chapter, "state officer" also includes any person exercising or undertaking to exercise the powers or functions of a state officer.

- (20) "Thing of economic value," in addition to its ordinary meaning, includes:
- (a) A loan, property interest, interest in a contract or other chose in action, and employment or another arrangement involving a right to compensation;
- 8 (b) An option, irrespective of the conditions to the exercise of 9 the option; and
- 10 (c) A promise or undertaking for the present or future delivery or 11 procurement.
 - (21)(a) "Transaction involving the state" means a proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other similar matter that the state officer, state employee, or former state officer or state employee in question believes, or has reason to believe:
 - (i) Is, or will be, the subject of state action; or
 - (ii) Is one to which the state is or will be a party; or
- 19 (iii) Is one in which the state has a direct and substantial 20 proprietary interest.
 - (b) "Transaction involving the state" does not include the following: Preparation, consideration, or enactment of legislation, including appropriation of moneys in a budget, or the performance of legislative duties by an officer or employee; or a claim, case, lawsuit, or similar matter if the officer or employee did not participate in the underlying transaction involving the state that is the basis for the claim, case, or lawsuit.
 - (22) "University" includes "state universities" and "regional universities" as defined in RCW 28B.10.016 and also includes any research or technology institute affiliated with a university, including without limitation, the Spokane intercollegiate research and technology institute and the Washington technology center.
 - (23) "University research employee" means a state officer or state employee employed by a university, but only to the extent the state officer or state employee is engaged in research, technology transfer, approved consulting activities related to research and technology transfer, or other incidental activities.

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- **Sec. 6.** RCW 42.52.320 and 1994 c 154 s 202 are each amended to 2 read as follows:
 - (1) The ((legislative ethics board)) public disclosure commission created in chapter 42.17A RCW shall enforce this chapter and rules adopted under it with respect to members and employees of the legislature, statewide elected officers and all other officers and employees in the executive branch, boards and commissions, and institutions of higher education. This section does not apply to state officers and state employees of the judicial branch.
 - (2) The ((legislative ethics board)) commission shall:
 - (a) Develop educational materials and training with regard to
 ((legislative)) ethics for ((legislators and legislative employees))
 state employees under its jurisdiction;
 - (b) Issue advisory opinions;

- (c) Adopt rules or policies governing the conduct of business by the ((board)) commission, and adopt rules defining working hours for purposes of RCW 42.52.180 and where otherwise authorized under chapter 154, Laws of 1994;
- 19 (d) Investigate, hear, and determine complaints by any person or on 20 its own motion;
 - (e) Impose sanctions including reprimands and monetary penalties;
- (f) Recommend suspension or removal to the appropriate legislative entity, or recommend prosecution to the appropriate authority; and
 - (g) Establish criteria regarding the levels of civil penalties appropriate for different types of violations of this chapter and rules adopted under it.
 - (3) The ((board)) commission may:
 - (a) Issue subpoenas for the attendance and testimony of witnesses and the production of documentary evidence relating to any matter under examination by the ((board)) commission or involved in any hearing;
 - (b) Administer oaths and affirmations;
 - (c) Examine witnesses; and
 - (d) Receive evidence.
- ((4) Subject to RCW 42.52.540, the board has jurisdiction over any alleged violation that occurred before January 1, 1995, and that was within the jurisdiction of any of the boards established under chapter 44.60 RCW. The board's jurisdiction with respect to any such alleged

- violation shall be based on the statutes and rules in effect at [the]
 time of the violation.))
 - Sec. 7. RCW 42.52.360 and 2005 c 106 s 5 are each amended to read as follows:

- (1) The ((executive ethics board)) public disclosure commission shall enforce this chapter and rules adopted under it ((with respect to statewide elected officers and all other officers and employees in the executive branch, boards and commissions, and institutions of higher education.
- 10 (2) The executive ethics board shall enforce this chapter)) with 11 regard to the activities of university research employees as provided 12 in this ((subsection)) section.
 - (2)(a) With respect to compliance with RCW 42.52.030, 42.52.110, 42.52.130, 42.52.140, and 42.52.150, the administrative process shall be consistent with and adhere to no less than the current standards in regulations of the United States public health service and the office of the secretary of the department of health and human services in Title 42 C.F.R. Part 50, Subpart F relating to promotion of objectivity in research.
 - (b) With respect to compliance with RCW 42.52.040, 42.52.080, and 42.52.120, the administrative process shall include a comprehensive system for the disclosure, review, and approval of outside work activities by university research employees while assuring that such employees are fulfilling their employment obligations to the university.
 - (c) With respect to compliance with RCW 42.52.160, the administrative process shall include a reasonable determination by the university of acceptable private uses having de minimis costs to the university and a method for establishing fair and reasonable reimbursement charges for private uses the costs of which are in excess of de minimis.
 - ((3) The executive ethics board shall:
- 33 (a) Develop educational materials and training;
- 34 (b) Adopt rules and policies governing the conduct of business by
 35 the board, and adopt rules defining working hours for purposes of RCW
 36 42.52.180 and where otherwise authorized under chapter 154, Laws of
 37 1994;

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- 1 (c) Issue advisory opinions;
- 2 (d) Investigate, hear, and determine complaints by any person or on
 3 its own motion;
 - (e) Impose sanctions including reprimands and monetary penalties;
- 5 (f) Recommend to the appropriate authorities suspension, removal 6 from position, prosecution, or other appropriate remedy; and
 - (g) Establish criteria regarding the levels of civil penalties appropriate for violations of this chapter and rules adopted under it.
 - (4) The board may:

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- 10 (a) Issue subpoenas for the attendance and testimony of witnesses
 11 and the production of documentary evidence relating to any matter under
 12 examination by the board or involved in any hearing;
 - (b) Administer oaths and affirmations;
- 14 (c) Examine witnesses; and
- 15 (d) Receive evidence.
- 16 (5) Except as provided in RCW 42.52.220, the executive ethics board
 17 may review and approve agency policies as provided for in this chapter.
- 18 (6) This section does not apply to state officers and state
 19 employees of the judicial branch.))
- 20 **Sec. 8.** RCW 42.52.390 and 1994 c 154 s 209 are each amended to 21 read as follows:
 - Except as otherwise provided by law, the ((ethics boards)) public disclosure commission and the commission on judicial conduct may hold hearings, subpoena witnesses, compel their attendance, administer oaths, take the testimony of a person under oath, and in connection therewith, to require the production for examination of any books or papers relating to any matter under investigation or in question before the ((ethics board)) commissions. The ((ethics board)) commissions may make rules as to the issuance of subpoenas by individual members, as to service of complaints, decisions, orders, recommendations, and other process or papers of the ((ethics board)) commissions.
- 32 **Sec. 9.** RCW 42.52.400 and 1994 c 154 s 210 are each amended to 33 read as follows:
- In case of refusal to obey a subpoena issued to a person, the superior court of a county within the jurisdiction of which the investigation, proceeding, or hearing under this chapter is carried on

- or within the jurisdiction of which the person refusing to obey is 1 2 found or resides or transacts business, upon application by the appropriate ((ethics board)) commission shall have jurisdiction to 3 4 issue to the person an order requiring the person to appear before the ((ethics board or its member)) commission to produce evidence if so 5 ordered, or to give testimony touching the matter under investigation 6 7 or in question. Failure to obey such order of the court may be 8 punished by the court as contempt.
- 9 **Sec. 10.** RCW 42.52.410 and 1994 c 154 s 211 are each amended to read as follows:

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- (1) A person may, personally or by his or her attorney, make, sign, and file with the appropriate ((ethics board)) commission a complaint on a form provided by the appropriate ((ethics board)) commission. The complaint shall state the name of the person alleged to have violated this chapter or rules adopted under it and the particulars thereof, and contain such other information as may be required by the appropriate ((ethics board)) commission.
- 18 (2) If it has reason to believe that any person has been engaged or 19 is engaging in a violation of this chapter or rules adopted under it, 20 ((an ethics board)) the appropriate commission may issue a complaint.
- 21 **Sec. 11.** RCW 42.52.420 and 2000 c 211 s 1 are each amended to read 22 as follows:
 - (1) After the filing of any complaint, except as provided in RCW 42.52.450, the staff of the appropriate ((ethics board)) commission shall investigate the complaint. The investigation shall be limited to the allegations contained in the complaint.
 - (2) The results of the investigation shall be reduced to writing and the staff shall either make a determination that the complaint should be dismissed pursuant to RCW 42.52.425, or recommend to the ((board)) appropriate commission that there is or that there is not reasonable cause to believe that a violation of this chapter or rules adopted under it has been or is being committed.
- 33 (3) The ((board's)) commission's determination on reasonable cause 34 shall be provided to the complainant and to the person named in such 35 complaint.

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- 1 **Sec. 12.** RCW 42.52.425 and 2005 c 116 s 1 are each amended to read 2 as follows:
- 3 (1) Based on the investigation conducted under RCW 42.52.420 or 42.52.450, and subject to rules issued by each ((board)) commission, 5 the ((board)) commission or the staff of the appropriate ((ethics board)) commission may issue an order of dismissal based on any of the following findings:
- 8 (a) Any violation that may have occurred is not within the 9 jurisdiction of the ((board)) commission;
 - (b) The complaint is obviously unfounded or frivolous; or

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- (c) Any violation that may have occurred does not constitute a material violation because it was inadvertent and minor, or has been cured, and, after consideration of all of the circumstances, further proceedings would not serve the purposes of this chapter.
- (2) Written notice of the determination under subsection (1) of this section shall be provided to the complainant, respondent, and the ((board)) commission. The written notice to the complainant shall include a statement of the complainant's right to appeal to the ((board)) commission under subsection (3) of this section if the dismissal order was issued by staff.
- (3) In the event that a complaint is dismissed by staff under this section, the complainant may request that the ((board)) commission review the action. Following review, the ((board)) commission shall:
 - (a) Affirm the staff dismissal of the complaint;
- (b) Direct the staff to conduct further investigation; or
- 26 (c) Issue a determination that there is reasonable cause to believe 27 that a violation has been or is being committed.
- 28 (4) The ((board's)) commission's decision under subsection (3) of 29 this section shall be reduced to writing and provided to the 30 complainant and the respondent.
- 31 **Sec. 13.** RCW 42.52.430 and 1994 c 154 s 213 are each amended to read as follows:
- 33 (1) If the ((ethics board)) commission determines there is 34 reasonable cause under RCW 42.52.420 that a violation of this chapter 35 or rules adopted under it occurred, a public hearing on the merits of 36 the complaint shall be held.

(2) The ((ethics board)) commission shall designate the location of the hearing. The case in support of the complaint shall be presented at the hearing by staff of the ((ethics board)) commission.

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- (3) The respondent shall file a written answer to the complaint and appear at the hearing in person or otherwise, with or without counsel, and submit testimony and be fully heard. The respondent has the right to cross-examine witnesses.
- 8 (4) Testimony taken at the hearing shall be under oath and 9 recorded.
 - (5) If, based upon a preponderance of the evidence, the ((ethics board)) commission finds that the respondent has violated this chapter or rules adopted under it, the ((board)) commission shall file an order stating findings of fact and enforcement action as authorized under this chapter.
 - (6) If, upon all the evidence, the ((ethics board)) commission finds that the respondent has not engaged in an alleged violation of this chapter or rules adopted under it, the ((ethics board)) commission shall state findings of fact and shall similarly issue and file an order dismissing the complaint.
 - (7) If the ((board)) commission makes a determination that there is not reasonable cause to believe that a violation has been or is being committed or has made a finding under subsection (6) of this section, the attorney general shall represent the officer or employee in any action subsequently commenced based on the alleged facts in the complaint.
- 26 **Sec. 14.** RCW 42.52.440 and 1994 c 154 s 214 are each amended to read as follows:

Except as otherwise provided by law, reconsideration or judicial review of ((an ethics board's)) a commission's order that a violation of this chapter or rules adopted under it has occurred shall be governed by the provisions of chapter 34.05 RCW applicable to review of adjudicative proceedings.

- 33 **Sec. 15.** RCW 42.52.450 and 2005 c 116 s 2 are each amended to read as follows:
- 35 (1) If a complaint alleges a violation of RCW 42.52.180 by a 36 legislator or statewide elected official other than the attorney

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general, the attorney general shall, if requested by the appropriate ((ethics board)) commission, conduct the investigation under RCW 42.52.420 and recommend action.

(2) If a complaint alleges a violation of RCW 42.52.180 by the attorney general, the state auditor shall conduct the investigation under RCW 42.52.420 and recommend action to the ((appropriate ethics board)) public disclosure commission.

Sec. 16. RCW 42.52.460 and 1994 c 154 s 216 are each amended to 9 read as follows:

Any person who has notified the appropriate ((ethics board)) commission and the attorney general in writing that there is reason to believe that RCW 42.52.180 is being or has been violated may, in the name of the state, bring a citizen action for any of the actions authorized under this chapter. A citizen action may be brought only if the appropriate ((ethics board)) commission or the attorney general have failed to commence an action under this chapter within forty-five days after notice from the person, the person has thereafter notified the appropriate ((ethics board)) commission and the attorney general that the person will commence a citizen's action within ten days upon their failure to commence an action, and the appropriate ((ethics board)) commission and the attorney general have in fact failed to bring an action within ten days of receipt of the second notice.

If the person who brings the citizen's action prevails, the judgment awarded shall escheat to the state, but the person shall be entitled to be reimbursed by the state of Washington for costs and attorneys' fees incurred. If a citizen's action that the court finds was brought without reasonable cause is dismissed, the court may order the person commencing the action to pay all costs of trial and reasonable attorneys' fees incurred by the defendant.

Upon commencement of a citizen action under this section, at the request of a state officer or state employee who is a defendant, the office of the attorney general shall represent the defendant if the attorney general finds that the defendant's conduct complied with this chapter and was within the scope of employment.

Sec. 17. RCW 42.52.470 and 1994 c 154 s 217 are each amended to read as follows:

1 As ((appropriate, an ethics board)) applicable, the appropriate 2 commission may refer a complaint:

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- (1) To an agency for initial investigation and proposed resolution which shall be referred back to the appropriate ((ethics board)) commission for action; or
- 6 (2) To the attorney general's office or prosecutor for appropriate action.
- 8 **Sec. 18.** RCW 42.52.480 and 1994 c 154 s 218 are each amended to 9 read as follows:
 - (1) Except as otherwise provided by law, ((an ethics board)) the public disclosure commission or the commission on judicial conduct may order payment of the following amounts if it finds a violation of this chapter or rules adopted under it after a hearing under RCW 42.52.370 or other applicable law:
- 15 (a) Any damages sustained by the state that are caused by the conduct constituting the violation;
 - (b) From each such person, a civil penalty of up to five thousand dollars per violation or three times the economic value of any thing received or sought in violation of this chapter or rules adopted under it, whichever is greater; and
- (c) Costs, including reasonable investigative costs, which shall be included as part of the limit under (b) of this subsection. The costs may not exceed the penalty imposed. The payment owed on the penalty shall be reduced by the amount of the costs paid.
- 25 (2) Damages under this section may be enforced in the same manner 26 as a judgment in a civil case.
- 27 **Sec. 19.** RCW 42.52.490 and 1994 c 154 s 219 are each amended to 28 read as follows:
 - (1) Upon a written determination by the attorney general that the action of ((an ethics board)) a commission was clearly erroneous or if requested by ((an ethics board)) a commission, the attorney general may bring a civil action in the superior court of the county in which the violation is alleged to have occurred against a state officer, state employee, former state officer, former state employee, or other person who has violated or knowingly assisted another person in violating any

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of the provisions of this chapter or the rules adopted under it. In such action the attorney general may recover the following amounts on behalf of the state of Washington:

- (a) Any damages sustained by the state that are caused by the conduct constituting the violation;
- (b) From each such person, a civil penalty of up to five thousand dollars per violation or three times the economic value of any thing received or sought in violation of this chapter or the rules adopted under it, whichever is greater; and
- (c) Costs, including reasonable investigative costs, which shall be included as part of the limit under (b) of this subsection. The costs may not exceed the penalty imposed. The payment owed on the penalty shall be reduced by the amount of the costs paid.
- (2) In any civil action brought by the attorney general upon the basis that the attorney general has determined that the ((board's)) commission's action was clearly erroneous, the court shall not proceed with the action unless the attorney general has first shown, and the court has found, that the action of the ((board)) commission was clearly erroneous.
- **Sec. 20.** RCW 42.52.500 and 1994 c 154 s 220 are each amended to 21 read as follows:
 - If ((an ethics board)) a commission finds that there is reasonable cause to believe that a violation has occurred, the ((board)) commission shall consider the possibility of the alleged violator having to pay a total amount of penalty and costs of more than five hundred dollars. Based on such consideration, the ((board)) commission may give the person who is the subject of the complaint the option to have an administrative law judge conduct the hearing and rule on procedural and evidentiary matters. The ((board)) commission may also, on its own initiative, provide for retaining an administrative law judge. ((An ethics board)) A commission may not require total payment of more than five hundred dollars in penalty and costs in any case where an administrative law judge is not used and the ((board)) commission did not give such option to the person who is the subject of the complaint.

- **Sec. 21.** RCW 42.52.510 and 1994 c 154 s 221 are each amended to 2 read as follows:
- (1) The attorney general may, on request of the governor or the appropriate agency, and in addition to other available rights of rescission, bring an action in the superior court of Thurston county to cancel or rescind state action taken by a state officer or state employee, without liability to the state of Washington, contractual or otherwise, if the governor or ((ethics board)) the appropriate commission has reason to believe that: (a) A violation of this chapter or rules adopted under it has substantially influenced the state action, and (b) the interest of the state requires the cancellation or rescission. The governor may suspend state action pending the determination of the merits of the controversy under this section. court may permit persons affected by the governor's actions to post an adequate bond pending such resolution to ensure compliance by the defendant with the final judgment, decree, or other order of the court.
 - (2) This section does not limit other available remedies.

Sec. 22. RCW 42.52.530 and 1994 c 154 s 223 are each amended to read as follows:

In addition to other authority under this chapter, the attorney general may investigate persons not under the jurisdiction of ((an ethics board)) a commission whom the attorney general has reason to believe were involved in transactions in violation of this chapter or rules adopted under it.

Sec. 23. RCW 42.52.540 and 1994 c 154 s 224 are each amended to read as follows:

Any action taken under this chapter must be commenced within five years from the date of the violation. However, if it is shown that the violation was not discovered because of concealment by the person charged, then the action must be commenced within two years from the date the violation was discovered or reasonably should have been discovered: (1) By any person with direct or indirect supervisory responsibilities over the person who allegedly committed the violation; or (2) if no person has direct or indirect supervisory authority over the person who committed the violation, by the appropriate ((ethics board)) commission.

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NEW SECTION. Sec. 24. On the effective date of this section, any complaints or other matters under investigation or consideration by the legislative ethics board or the executive ethics board under this chapter shall be transferred to the public disclosure commission created in RCW 42.17A.100. All files, including but not limited to minutes of meetings, investigative files, records of proceedings, exhibits, and expense records, shall be transferred to the public disclosure commission and the public disclosure commission shall assume full jurisdiction over all pending complaints, investigations, and proceedings.

- **Sec. 25.** RCW 9.95.003 and 2011 1st sp.s. c 40 s 15 and 2011 c 336 12 s 336 are each reenacted and amended to read as follows:
 - (1) The board is created within the department. The board shall consist of a chair and four other members, each of whom shall be appointed by the governor with the consent of the senate. Each member shall hold office for a term of five years, and until his or her successor is appointed and qualified. The terms shall expire on April 15th of the expiration year. Vacancies in the membership of the board shall be filled by appointment by the governor with the consent of the senate. In the event of the inability of any member to act, the governor shall appoint some competent person to act in his or her stead during the continuance of such inability. The members shall not be removable during their respective terms except for cause determined by the superior court of Thurston county. The governor in appointing the members shall designate one of them to serve as chair at the governor's pleasure. The appointed chair shall serve as a fully participating board member.
 - (2) The department shall provide administrative and staff support for the board. The secretary may employ a senior administrative officer and such other personnel as may be necessary to assist the board in carrying out its duties.
 - (3) The members of the board and staff assigned to the board shall not engage in any other business or profession or hold any other public office without the prior approval of the ((executive ethics board)) public disclosure commission indicating compliance with RCW 42.52.020, 42.52.030, 42.52.040, and 42.52.120; nor shall they, at the time of appointment or employment or during their incumbency, serve as the

- representative of any political party on an executive committee or other governing body thereof, or as an executive officer or employee of any political committee or association. The members of the board shall each severally receive salaries fixed by the governor in accordance with the provisions of RCW 43.03.040, and in addition shall receive travel expenses incurred in the discharge of their official duties in accordance with RCW 43.03.050 and 43.03.060.
- 8 **Sec. 26.** RCW 42.17A.100 and 2010 c 204 s 301 are each amended to 9 read as follows:

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- (1) The public disclosure commission is established. The commission shall be composed of ((five)) seven members appointed by the governor, with the consent of the senate. All appointees shall be persons of the highest integrity and qualifications. No more than ((three)) four members shall have an identification with the same political party.
- (2)(a) Except as provided in (b) of this subsection, the term of each member shall be five years. No member is eligible for appointment to more than one full term. Any member may be removed by the governor, but only upon grounds of neglect of duty or misconduct in office.
- (b) In order to stagger terms, the initial terms of the two members appointed as a result of chapter . . ., Laws of 2013 (this act) shall be two years and five years.
- (3) During his or her tenure, a member of the commission is prohibited from engaging in any of the following activities, either within or outside the state of Washington:
 - (a) Holding or campaigning for elective office;
- (b) Serving as an officer of any political party or political committee;
- (c) Permitting his or her name to be used in support of or in opposition to a candidate or proposition;
- (d) Soliciting ((or making)) contributions to a candidate or ((in support of or in opposition to any candidate or)) to a proposition. Commission members may make contributions to a candidate or to a proposition but must report such contributions to the commission at the time the contribution is made. Contributions made by commission members under this subsection must be posted on the commission's web site;

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(e) Participating in any way in any election campaign; or

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- (f) Lobbying, employing, or assisting a lobbyist, except that a member or the staff of the commission may lobby to the limited extent permitted by RCW 42.17A.635 on matters directly affecting this chapter.
- (4) A vacancy on the commission shall be filled within thirty days of the vacancy by the governor, with the consent of the senate, and the appointee shall serve for the remaining term of his or her predecessor. A vacancy shall not impair the powers of the remaining members to exercise all of the powers of the commission.
- (5) ((Three)) <u>Four</u> members of the commission shall constitute a quorum. The commission shall elect its own chair and adopt its own rules of procedure in the manner provided in chapter 34.05 RCW.
- 13 (6) Members shall be compensated in accordance with RCW 43.03.250 14 and shall be reimbursed for travel expenses incurred while engaged in 15 the business of the commission as provided in RCW 43.03.050 and 16 43.03.060. The compensation provided pursuant to this section shall 17 not be considered salary for purposes of the provisions of any 18 retirement system created under the laws of this state.
- 19 **Sec. 27.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended to 20 read as follows:
- 21 For the purposes of RCW 42.17A.700, "executive state officer" 22 includes:
 - (1)The chief administrative law judge, the director agriculture, the director of the department of services for the blind, the chief information officer of the office of chief information officer, the director of the state system of community and technical colleges, the director of commerce, the director of the consolidated technology services agency, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the director of enterprise services, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities

authority, the executive secretary of the horse racing commission, the 1 2 human resources director, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence 3 4 review board, the executive director of the state investment board, the director of labor and industries, the director of licensing, the 5 director of the lottery commission, the director of the office of 6 7 minority and women's business enterprises, the director of parks and 8 recreation, the executive director of the public disclosure commission, 9 the executive director of the Puget Sound partnership, the director of the recreation and conservation office, the director of retirement 10 systems, the director of revenue, the secretary of social and health 11 services, the chief of the Washington state patrol, the executive 12 13 secretary of the board of tax appeals, the secretary of transportation, 14 the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and 15 state universities and the president of The Evergreen State College, 16 17 and each district and each campus president of each state community 18 college;

- (2) Each professional staff member of the office of the governor;
- (3) Each professional staff member of the legislature; and

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(4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, Eastern Washington University board of trustees, Washington economic development finance authority, Washington energy northwest executive board, The Evergreen State College board of trustees, ((executive ethics board,)) fish and wildlife commission, forest practices appeals board, forest practices board, gambling commission, Washington health care authority, student achievement council, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, state investment board, commission on judicial conduct, ((legislative ethics board,)) life sciences discovery fund authority board of trustees, liquor control board, commission, Pacific Northwest electric power and conservation planning council, parks and recreation commission, Washington personnel resources board, board of pilotage commissioners, pollution control

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- 1 hearings board, public disclosure commission, public employees'
- 2 benefits board, recreation and conservation funding board, salmon
- 3 recovery funding board, shorelines hearings board, board of tax
- 4 appeals, transportation commission, University of Washington board of
- 5 regents, utilities and transportation commission, Washington State
- 6 University board of regents, and Western Washington University board of
- 7 trustees.

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- 8 **Sec. 28.** RCW 42.40.020 and 2008 c 266 s 2 are each amended to read 9 as follows:
- 10 As used in this chapter, the terms defined in this section shall 11 have the meanings indicated unless the context clearly requires 12 otherwise.
 - (1) "Auditor" means the office of the state auditor.
- 14 (2) "Employee" means any individual employed or holding office in 15 any department or agency of state government.
- 16 (3) "Good faith" means the individual providing the information or report of improper governmental activity has a reasonable basis in fact 17 for reporting or providing the information. An individual who 18 knowingly provides or reports, or who reasonably ought to know he or 19 20 is providing or reporting, malicious, false, or frivolous 21 information, or information that is provided with reckless disregard 22 for the truth, or who knowingly omits relevant information is not 23 acting in good faith.
 - (4) "Gross mismanagement" means the exercise of management responsibilities in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.
 - (5) "Gross waste of funds" means to spend or use funds or to allow funds to be used without valuable result in a manner grossly deviating from the standard of care or competence that a reasonable person would observe in the same situation.
- 32 (6)(a) "Improper governmental action" means any action by an 33 employee undertaken in the performance of the employee's official 34 duties:
- 35 (i) Which is a gross waste of public funds or resources as defined 36 in this section;

- 1 (ii) Which is in violation of federal or state law or rule, if the violation is not merely technical or of a minimum nature;
- 3 (iii) Which is of substantial and specific danger to the public 4 health or safety;
 - (iv) Which is gross mismanagement; or

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- 6 (v) Which prevents the dissemination of scientific opinion or alters technical findings without scientifically valid justification, 7 8 unless state law or a common law privilege prohibits disclosure. provision is not meant to preclude the discretion of agency management 9 to adopt a particular scientific opinion or technical finding from 10 11 among differing opinions or technical findings to the exclusion of 12 other scientific opinions or technical findings. Nothing in this subsection prevents or impairs a state agency's or public official's 13 14 ability to manage its public resources or its employees in the 15 performance of their official job duties. This subsection does not apply to de minimis, technical disagreements that are not relevant for 16 17 otherwise improper governmental activity. Nothing in this provision requires the auditor to contract or consult with external experts 18 19 regarding the scientific validity, invalidity, or justification of a 20 finding or opinion.
 - "Improper governmental action" does not include personnel actions, for which other remedies exist, including but not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of the state civil service law, alleged labor agreement violations, reprimands, claims of discriminatory treatment, or any action which may be taken under chapter 41.06 RCW, or other disciplinary action except as provided in RCW 42.40.030.
 - (7) "Public official" means the attorney general's designee or designees; the director, or equivalent thereof in the agency where the employee works; an appropriate number of individuals designated to receive whistleblower reports by the head of each agency; or the ((executive ethics board)) public disclosure commission.
 - (8) "Substantial and specific danger" means a risk of serious injury, illness, peril, or loss, to which the exposure of the public is

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a gross deviation from the standard of care or competence which a reasonable person would observe in the same situation.

- (9) "Use of official authority or influence" includes threatening, taking, directing others to take, recommending, processing, or approving any personnel action such as an appointment, promotion, transfer, assignment including but not limited to duties and office location, reassignment, reinstatement, restoration, reemployment, performance evaluation, determining any material changes in pay, provision of training or benefits, tolerance of a hostile work environment, or any adverse action under chapter 41.06 RCW, or other disciplinary action.
 - (10)(a) "Whistleblower" means:

- (i) An employee who in good faith reports alleged improper governmental action to the auditor or other public official, as defined in subsection (7) of this section, initiating an investigation by the auditor under RCW 42.40.040; or
- (ii) An employee who is perceived by the employer as reporting, whether they did or not, alleged improper governmental action to the auditor or other public official, as defined in subsection (7) of this section, initiating an investigation by the auditor under RCW 42.40.040.
- (b) For purposes of the provisions of this chapter and chapter 49.60 RCW relating to reprisals and retaliatory action, the term "whistleblower" also means:
 - (i) An employee who in good faith provides information to the auditor or other public official, as defined in subsection (7) of this section, in connection with an investigation under RCW 42.40.040 and an employee who is believed to have reported asserted improper governmental action to the auditor or other public official, as defined in subsection (7) of this section, or to have provided information to the auditor or other public official, as defined in subsection (7) of this section, in connection with an investigation under RCW 42.40.040 but who, in fact, has not reported such action or provided such information; or
- 35 (ii) An employee who in good faith identifies rules warranting 36 review or provides information to the rules review committee, and an 37 employee who is believed to have identified rules warranting review or

- 1 provided information to the rules review committee but who, in fact,
- 2 has not done so.

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- 3 **Sec. 29.** RCW 43.15.020 and 2011 c 158 s 12 are each amended to 4 read as follows:
- The lieutenant governor serves as president of the senate and is responsible for making appointments to, and serving on, the committees and boards as set forth in this section.
- 8 (1) The lieutenant governor serves on the following boards and 9 committees:
- 10 (a) Capitol furnishings preservation committee, RCW 27.48.040;
- 11 (b) Washington higher education facilities authority, RCW 12 28B.07.030;
- 13 (c) Productivity board, also known as the employee involvement and 14 recognition board, RCW 41.60.015;
 - (d) State finance committee, RCW 43.33.010;
 - (e) State capitol committee, RCW 43.34.010;
- 17 (f) Washington health care facilities authority, RCW 70.37.030;
- 18 (g) State medal of merit nominating committee, RCW 1.40.020;
- 19 (h) Medal of valor committee, RCW 1.60.020; and
- 20 (i) Association of Washington generals, RCW 43.15.030.
- 21 (2) The lieutenant governor, and when serving as president of the 22 senate, appoints members to the following boards and committees:
 - (a) Civil legal aid oversight committee, RCW 2.53.010;
 - (b) Office of public defense advisory committee, RCW 2.70.030;
 - (c) Washington state gambling commission, RCW 9.46.040;
- 26 (d) Sentencing guidelines commission, RCW 9.94A.860;
- 27 (e) State building code council, RCW 19.27.070;
- 28 (f) Financial education public-private partnership, RCW 29 28A.300.450;
- 30 (g) Joint administrative rules review committee, RCW 34.05.610;
- 31 (h) Capital projects advisory review board, RCW 39.10.220;
- 32 (i) Select committee on pension policy, RCW 41.04.276;
- 33 (j) ((Legislative ethics board, RCW 42.52.310;
- 34 (k))) Washington citizens' commission on salaries, RCW 43.03.305;
- $((\frac{1}{1}))$ (k) Legislative oral history committee, RCW 44.04.325;
- $((\frac{m}{m}))$ (1) State council on aging, RCW 43.20A.685;
- 37 $((\frac{n}{n}))$ State investment board, RCW 43.33A.020;

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- 1 $((\frac{(0)}{(0)}))$ <u>(n)</u> Capitol campus design advisory committee, RCW
- 2 43.34.080;
- $((\frac{p}{p}))$ (o) Washington state arts commission, RCW 43.46.015;
- 4 ((g) Information services board, RCW 43.105.032;
- 5 (r) Council for children and families, RCW 43.121.020;
- 6 (s))) (p) PNWER-Net working subgroup under chapter 43.147 RCW;
- 7 $((\frac{t}{t}))$ <u>(q)</u> Community economic revitalization board, RCW
- 8 43.160.030;
- 9 $((\frac{u}{u}))$ (r) Washington economic development finance authority, RCW
- 10 43.163.020;
- 11 (((v))) (s) Life sciences discovery fund authority, RCW 43.350.020;
- 12 $((\frac{w}{v}))$ Legislative children's oversight committee, RCW
- 13 44.04.220;
- 14 $((\frac{x}{x}))$ <u>(u)</u> Joint legislative audit and review committee, RCW
- 15 44.28.010;
- 16 $((\frac{y}{y}))$ <u>(v)</u> Joint committee on energy supply and energy
- 17 conservation, RCW 44.39.015;
- 18 $((\frac{z}{z}))$ Legislative evaluation and accountability program
- 19 committee, RCW 44.48.010;
- 20 (((aa) Agency council on coordinated transportation, RCW
- 21 47.06B.020;
- (bb)) (x) Washington horse racing commission, RCW 67.16.014;
- 23 $((\frac{\langle cc \rangle}{}))$ <u>(y)</u> Correctional industries board of directors, RCW
- 24 72.09.080;
- 25 $((\frac{dd}{d}))$ <u>(z)</u> Joint committee on veterans' and military affairs, RCW
- 26 73.04.150;
- (((ee))) (aa) Joint legislative committee on water supply during
- 28 drought, RCW 90.86.020;
- $((\frac{ff}))$ (bb) Statute law committee, RCW 1.08.001; and
- $((\frac{(gg)}{gg}))$ <u>(cc)</u> Joint legislative oversight committee on trade
- 31 policy, RCW 44.55.020.
- 32 <u>NEW SECTION.</u> **Sec. 30.** The following acts or parts of acts are
- 33 each repealed:
- 34 (1) RCW 42.52.310 (Legislative ethics board) and 1994 c 154 s 201;
- 35 (2) RCW 42.52.340 (Transfer of jurisdiction) and 1994 c 154 s 204;
- 36 (3) RCW 42.52.350 (Executive ethics board) and 1994 c 154 s 205;

- 1 (4) RCW 42.52.380 (Political activities of board members) and 2011
- 2 c 60 s 32, 1997 c 11 s 1, & 1994 c 154 s 208; and
- 3 (5) RCW 42.52.550 (Compensation of ethics boards) and 1994 c 154 s
- 4 227.
- 5 <u>NEW SECTION.</u> **Sec. 31.** Sections 2 through 4 of this act take
- 6 effect January 1, 2014.
- 7 NEW SECTION. Sec. 32. Sections 1 and 5 through 30 of this act are
- 8 necessary for the immediate preservation of the public peace, health,
- 9 or safety, or support of the state government and its existing public
- 10 institutions, and take effect July 1, 2013.

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