

ESB 5153 - H COMM AMD
By Committee on State Government

ADOPTED 4/10/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that the public has
4 the right to know who is contributing to election campaigns in
5 Washington state and that campaign finance disclosure deters
6 corruption, increases public confidence in Washington state
7 elections, and strengthens our representative democracy.

8 The legislature finds that campaign finance disclosure is
9 overwhelmingly supported by the citizens of Washington state as
10 evidenced by the two initiatives that largely established
11 Washington's current campaign finance system. Both passed with over
12 seventy-two percent of the popular vote, as well as winning margins
13 in every county in the state.

14 The legislature finds that nonprofit organizations are
15 increasingly engaging in campaign activities in Washington state and
16 across the country, including taking a more active role in
17 contributing to candidate and ballot proposition campaigns. In some
18 cases, these activities are occurring without adequate public
19 disclosure due to loopholes in campaign finance regulations.

20 Therefore, the legislature intends to increase transparency and
21 accountability, deter corruption, and strengthen confidence in the
22 election process by closing campaign finance disclosure loopholes and
23 requiring the disclosure of contributions and expenditures by
24 nonprofit organizations that participate significantly in Washington
25 state elections.

26 **Sec. 2.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are
27 each reenacted and amended to read as follows:

28 The definitions in this section apply throughout this chapter
29 unless the context clearly requires otherwise.

30 (1) "Actual malice" means to act with knowledge of falsity or
31 with reckless disregard as to truth or falsity.

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

8 (3) "Authorized committee" means the political committee
9 authorized by a candidate, or by the public official against whom
10 recall charges have been filed, to accept contributions or make
11 expenditures on behalf of the candidate or public official.

12 (4) "Ballot proposition" means any "measure" as defined by RCW
13 29A.04.091, or any initiative, recall, or referendum proposition
14 proposed to be submitted to the voters of the state or any municipal
15 corporation, political subdivision, or other voting constituency from
16 and after the time when the proposition has been initially filed with
17 the appropriate election officer of that constituency before its
18 circulation for signatures.

19 (5) "Benefit" means a commercial, proprietary, financial,
20 economic, or monetary advantage, or the avoidance of a commercial,
21 proprietary, financial, economic, or monetary disadvantage.

22 (6) "Bona fide political party" means:

23 (a) An organization that has been recognized as a minor political
24 party by the secretary of state;

25 (b) The governing body of the state organization of a major
26 political party, as defined in RCW 29A.04.086, that is the body
27 authorized by the charter or bylaws of the party to exercise
28 authority on behalf of the state party; or

29 (c) The county central committee or legislative district
30 committee of a major political party. There may be only one
31 legislative district committee for each party in each legislative
32 district.

33 (7) "Candidate" means any individual who seeks nomination for
34 election or election to public office. An individual seeks nomination
35 or election when he or she first:

36 (a) Receives contributions or makes expenditures or reserves
37 space or facilities with intent to promote his or her candidacy for
38 office;

39 (b) Announces publicly or files for office;

1 (c) Purchases commercial advertising space or broadcast time to
2 promote his or her candidacy; or

3 (d) Gives his or her consent to another person to take on behalf
4 of the individual any of the actions in (a) or (c) of this
5 subsection.

6 (8) "Caucus political committee" means a political committee
7 organized and maintained by the members of a major political party in
8 the state senate or state house of representatives.

9 (9) "Commercial advertiser" means any person who sells the
10 service of communicating messages or producing printed material for
11 broadcast or distribution to the general public or segments of the
12 general public whether through the use of newspapers, magazines,
13 television and radio stations, billboard companies, direct mail
14 advertising companies, printing companies, or otherwise.

15 (10) "Commission" means the agency established under RCW
16 42.17A.100.

17 (11) "Compensation" unless the context requires a narrower
18 meaning, includes payment in any form for real or personal property
19 or services of any kind. For the purpose of compliance with RCW
20 42.17A.710, "compensation" does not include per diem allowances or
21 other payments made by a governmental entity to reimburse a public
22 official for expenses incurred while the official is engaged in the
23 official business of the governmental entity.

24 (12) "Continuing political committee" means a political committee
25 that is an organization of continuing existence not established in
26 anticipation of any particular election campaign.

27 (13)(a) "Contribution" includes:

28 (i) A loan, gift, deposit, subscription, forgiveness of
29 indebtedness, donation, advance, pledge, payment, transfer of funds
30 between political committees, or anything of value, including
31 personal and professional services for less than full consideration;

32 (ii) An expenditure made by a person in cooperation,
33 consultation, or concert with, or at the request or suggestion of, a
34 candidate, a political committee, the person or persons named on the
35 candidate's or committee's registration form who direct expenditures
36 on behalf of the candidate or committee, or their agents;

37 (iii) The financing by a person of the dissemination,
38 distribution, or republication, in whole or in part, of broadcast,
39 written, graphic, or other form of political advertising or

1 electioneering communication prepared by a candidate, a political
2 committee, or its authorized agent;

3 (iv) Sums paid for tickets to fund-raising events such as dinners
4 and parties, except for the actual cost of the consumables furnished
5 at the event.

6 (b) "Contribution" does not include:

7 (i) Standard interest on money deposited in a political
8 committee's account;

9 (ii) Ordinary home hospitality;

10 (iii) A contribution received by a candidate or political
11 committee that is returned to the contributor within five business
12 days of the date on which it is received by the candidate or
13 political committee;

14 (iv) A news item, feature, commentary, or editorial in a
15 regularly scheduled news medium that is of primary interest to the
16 general public, that is in a news medium controlled by a person whose
17 business is that news medium, and that is not controlled by a
18 candidate or a political committee;

19 (v) An internal political communication primarily limited to the
20 members of or contributors to a political party organization or
21 political committee, or to the officers, management staff, or
22 stockholders of a corporation or similar enterprise, or to the
23 members of a labor organization or other membership organization;

24 (vi) The rendering of personal services of the sort commonly
25 performed by volunteer campaign workers, or incidental expenses
26 personally incurred by volunteer campaign workers not in excess of
27 fifty dollars personally paid for by the worker. "Volunteer
28 services," for the purposes of this subsection, means services or
29 labor for which the individual is not compensated by any person;

30 (vii) Messages in the form of reader boards, banners, or yard or
31 window signs displayed on a person's own property or property
32 occupied by a person. However, a facility used for such political
33 advertising for which a rental charge is normally made must be
34 reported as an in-kind contribution and counts towards any applicable
35 contribution limit of the person providing the facility;

36 (viii) Legal or accounting services rendered to or on behalf of:

37 (A) A political party or caucus political committee if the person
38 paying for the services is the regular employer of the person
39 rendering such services; or

1 (B) A candidate or an authorized committee if the person paying
2 for the services is the regular employer of the individual rendering
3 the services and if the services are solely for the purpose of
4 ensuring compliance with state election or public disclosure laws; or

5 (ix) The performance of ministerial functions by a person on
6 behalf of two or more candidates or political committees either as
7 volunteer services defined in (b)(vi) of this subsection or for
8 payment by the candidate or political committee for whom the services
9 are performed as long as:

10 (A) The person performs solely ministerial functions;

11 (B) A person who is paid by two or more candidates or political
12 committees is identified by the candidates and political committees
13 on whose behalf services are performed as part of their respective
14 statements of organization under RCW 42.17A.205; and

15 (C) The person does not disclose, except as required by law, any
16 information regarding a candidate's or committee's plans, projects,
17 activities, or needs, or regarding a candidate's or committee's
18 contributions or expenditures that is not already publicly available
19 from campaign reports filed with the commission, or otherwise engage
20 in activity that constitutes a contribution under (a)(ii) of this
21 subsection.

22 A person who performs ministerial functions under this subsection
23 (13)(b)(ix) is not considered an agent of the candidate or committee
24 as long as he or she has no authority to authorize expenditures or
25 make decisions on behalf of the candidate or committee.

26 (c) Contributions other than money or its equivalent are deemed
27 to have a monetary value equivalent to the fair market value of the
28 contribution. Services or property or rights furnished at less than
29 their fair market value for the purpose of assisting any candidate or
30 political committee are deemed a contribution. Such a contribution
31 must be reported as an in-kind contribution at its fair market value
32 and counts towards any applicable contribution limit of the provider.

33 (14) "Depository" means a bank, mutual savings bank, savings and
34 loan association, or credit union doing business in this state.

35 (15) "Elected official" means any person elected at a general or
36 special election to any public office, and any person appointed to
37 fill a vacancy in any such office.

38 (16) "Election" includes any primary, general, or special
39 election for public office and any election in which a ballot
40 proposition is submitted to the voters. 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 (17) "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 (18) "Election cycle" means the period beginning on the first day
9 of January after the date of the last previous general election for
10 the office that the candidate seeks and ending on December 31st after
11 the next election for the office. In the case of a special election
12 to fill a vacancy in an office, "election cycle" means the period
13 beginning on the day the vacancy occurs and ending on December 31st
14 after the special election.

15 (19)(a) "Electioneering communication" means any broadcast,
16 cable, or satellite television or radio transmission, United States
17 postal service mailing, billboard, newspaper, or periodical that:

18 (i) Clearly identifies a candidate for a state, local, or
19 judicial office either by specifically naming the candidate, or
20 identifying the candidate without using the candidate's name;

21 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
22 otherwise published within sixty days before any election for that
23 office in the jurisdiction in which the candidate is seeking
24 election; and

25 (iii) Either alone, or in combination with one or more
26 communications identifying the candidate by the same sponsor during
27 the sixty days before an election, has a fair market value of one
28 thousand dollars or more.

29 (b) "Electioneering communication" does not include:

30 (i) Usual and customary advertising of a business owned by a
31 candidate, even if the candidate is mentioned in the advertising when
32 the candidate has been regularly mentioned in that advertising
33 appearing at least twelve months preceding his or her becoming a
34 candidate;

35 (ii) Advertising for candidate debates or forums when the
36 advertising is paid for by or on behalf of the debate or forum
37 sponsor, so long as two or more candidates for the same position have
38 been invited to participate in the debate or forum;

39 (iii) A news item, feature, commentary, or editorial in a
40 regularly scheduled news medium that is:

1 (A) Of primary interest to the general public;
2 (B) In a news medium controlled by a person whose business is
3 that news medium; and
4 (C) Not a medium controlled by a candidate or a political
5 committee;
6 (iv) Slate cards and sample ballots;
7 (v) Advertising for books, films, dissertations, or similar works
8 (A) written by a candidate when the candidate entered into a contract
9 for such publications or media at least twelve months before becoming
10 a candidate, or (B) written about a candidate;
11 (vi) Public service announcements;
12 (vii) A mailed internal political communication primarily limited
13 to the members of or contributors to a political party organization
14 or political committee, or to the officers, management staff, or
15 stockholders of a corporation or similar enterprise, or to the
16 members of a labor organization or other membership organization;
17 (viii) An expenditure by or contribution to the authorized
18 committee of a candidate for state, local, or judicial office; or
19 (ix) Any other communication exempted by the commission through
20 rule consistent with the intent of this chapter.
21 (20) "Expenditure" includes a payment, contribution,
22 subscription, distribution, loan, advance, deposit, or gift of money
23 or anything of value, and includes a contract, promise, or agreement,
24 whether or not legally enforceable, to make an expenditure.
25 "Expenditure" also includes a promise to pay, a payment, or a
26 transfer of anything of value in exchange for goods, services,
27 property, facilities, or anything of value for the purpose of
28 assisting, benefiting, or honoring any public official or candidate,
29 or assisting in furthering or opposing any election campaign. For the
30 purposes of this chapter, agreements to make expenditures, contracts,
31 and promises to pay may be reported as estimated obligations until
32 actual payment is made. "Expenditure" (~~shall~~) does not include the
33 partial or complete repayment by a candidate or political committee
34 of the principal of a loan, the receipt of which loan has been
35 properly reported.
36 (21) "Final report" means the report described as a final report
37 in RCW 42.17A.235(2).
38 (22) "General election" for the purposes of RCW 42.17A.405 means
39 the election that results in the election of a person to a state or
40 local office. It does not include a primary.

1 (23) "Gift" has the definition in RCW 42.52.010.

2 (24) "Immediate family" includes the spouse or domestic partner,
3 dependent children, and other dependent relatives, if living in the
4 household. For the purposes of the definition of "intermediary" in
5 this section, "immediate family" means an individual's spouse or
6 domestic partner, and child, stepchild, grandchild, parent,
7 stepparent, grandparent, brother, half brother, sister, or half
8 sister of the individual and the spouse or the domestic partner of
9 any such person and a child, stepchild, grandchild, parent,
10 stepparent, grandparent, brother, half brother, sister, or half
11 sister of the individual's spouse or domestic partner and the spouse
12 or the domestic partner of any such person.

13 (25)(a) "Incidental committee" means any nonprofit organization
14 not otherwise defined as a political committee but that may
15 incidentally make a contribution or an expenditure in support of, or
16 opposition to, any candidate or any ballot proposition in Washington,
17 directly or through a political committee.

18 (b) "Incidental committee" does not include any organization
19 registered under section 527 of the internal revenue code of 1986
20 that files:

21 (i) Disclosure reports as a political committee with the public
22 disclosure commission;

23 (ii) Disclosure reports with the federal elections commission at
24 least as frequently as required for incidental committees under this
25 chapter; or

26 (iii) Public filings with the internal revenue service at least
27 as frequently as required for incidental committees under this
28 chapter.

29 (26) "Incumbent" means a person who is in present possession of
30 an elected office.

31 ((+26+)) (27) "Independent expenditure" means an expenditure that
32 has each of the following elements:

33 (a) It is made in support of or in opposition to a candidate for
34 office by a person who is not (i) a candidate for that office, (ii)
35 an authorized committee of that candidate for that office, (iii) a
36 person who has received the candidate's encouragement or approval to
37 make the expenditure, if the expenditure pays in whole or in part for
38 political advertising supporting that candidate or promoting the
39 defeat of any other candidate or candidates for that office, or (iv)
40 a person with whom the candidate has collaborated for the purpose of

1 making the expenditure, if the expenditure pays in whole or in part
2 for political advertising supporting that candidate or promoting the
3 defeat of any other candidate or candidates for that office;

4 (b) The expenditure pays in whole or in part for political
5 advertising that either specifically names the candidate supported or
6 opposed, or clearly and beyond any doubt identifies the candidate
7 without using the candidate's name; and

8 (c) The expenditure, alone or in conjunction with another
9 expenditure or other expenditures of the same person in support of or
10 opposition to that candidate, has a value of eight hundred dollars or
11 more. A series of expenditures, each of which is under eight hundred
12 dollars, constitutes one independent expenditure if their cumulative
13 value is eight hundred dollars or more.

14 ~~((+27))~~ (28) (a) "Intermediary" means an individual who transmits
15 a contribution to a candidate or committee from another person unless
16 the contribution is from the individual's employer, immediate family,
17 or an association to which the individual belongs.

18 (b) A treasurer or a candidate is not an intermediary for
19 purposes of the committee that the treasurer or candidate serves.

20 (c) A professional fund-raiser is not an intermediary if the
21 fund-raiser is compensated for fund-raising services at the usual and
22 customary rate.

23 (d) A volunteer hosting a fund-raising event at the individual's
24 home is not an intermediary for purposes of that event.

25 ~~((+28))~~ (29) "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
30 both houses, are pending approval by the governor.

31 ~~((+29))~~ (30) "Legislative office" means the office of a member
32 of the state house of representatives or the office of a member of
33 the state senate.

34 ~~((+30))~~ (31) "Lobby" and "lobbying" each mean attempting to
35 influence the passage or defeat of any legislation by the legislature
36 of the state of Washington, or the adoption or rejection of any rule,
37 standard, rate, or other legislative enactment of any state agency
38 under the state administrative procedure act, chapter 34.05 RCW.
39 Neither "lobby" nor "lobbying" includes an association's or other

1 organization's act of communicating with the members of that
2 association or organization.

3 ~~((31))~~ (32) "Lobbyist" includes any person who lobbies either
4 in his or her own or another's behalf.

5 ~~((32))~~ (33) "Lobbyist's employer" means the person or persons
6 by whom a lobbyist is employed and all persons by whom he or she is
7 compensated for acting as a lobbyist.

8 ~~((33))~~ (34) "Ministerial functions" means an act or duty
9 carried out as part of the duties of an administrative office without
10 exercise of personal judgment or discretion.

11 ~~((34))~~ (35) "Participate" means that, with respect to a
12 particular election, an entity:

13 (a) Makes either a monetary or in-kind contribution to a
14 candidate;

15 (b) Makes an independent expenditure or electioneering
16 communication in support of or opposition to a candidate;

17 (c) Endorses a candidate before contributions are made by a
18 subsidiary corporation or local unit with respect to that candidate
19 or that candidate's opponent;

20 (d) Makes a recommendation regarding whether a candidate should
21 be supported or opposed before a contribution is made by a subsidiary
22 corporation or local unit with respect to that candidate or that
23 candidate's opponent; or

24 (e) Directly or indirectly collaborates or consults with a
25 subsidiary corporation or local unit on matters relating to the
26 support of or opposition to a candidate, including, but not limited
27 to, the amount of a contribution, when a contribution should be
28 given, and what assistance, services or independent expenditures, or
29 electioneering communications, if any, will be made or should be made
30 in support of or opposition to a candidate.

31 ~~((35))~~ (36) "Person" includes an individual, partnership, joint
32 venture, public or private corporation, association, federal, state,
33 or local governmental entity or agency however constituted,
34 candidate, committee, political committee, political party, executive
35 committee thereof, or any other organization or group of persons,
36 however organized.

37 ~~((36))~~ (37) "Political advertising" includes any advertising
38 displays, newspaper ads, billboards, signs, brochures, articles,
39 tabloids, flyers, letters, radio or television presentations, or
40 other means of mass communication, used for the purpose of appealing,

1 directly or indirectly, for votes or for financial or other support
2 or opposition in any election campaign.

3 ~~((37))~~ (38) "Political committee" means any person (except a
4 candidate or an individual dealing with his or her own funds or
5 property), organized or located inside or outside the state, having
6 the expectation of receiving contributions or making expenditures in
7 support of, or opposition to, any candidate or any ballot proposition
8 in Washington.

9 ~~((38))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means
10 the procedure for nominating a candidate to state or local office
11 under chapter 29A.52 RCW or any other primary for an election that
12 uses, in large measure, the procedures established in chapter 29A.52
13 RCW.

14 ~~((39))~~ (40) "Public office" means any federal, state, judicial,
15 county, city, town, school district, port district, special district,
16 or other state political subdivision elective office.

17 ~~((40))~~ (41) "Public record" has the definition in RCW
18 42.56.010.

19 ~~((41))~~ (42) "Recall campaign" means the period of time
20 beginning on the date of the filing of recall charges under RCW
21 29A.56.120 and ending thirty days after the recall election.

22 ~~((42))~~ (43)(a) "Sponsor" for purposes of an electioneering
23 communications, independent expenditures, or political advertising
24 means the person paying for the electioneering communication,
25 independent expenditure, or political advertising. If a person acts
26 as an agent for another or is reimbursed by another for the payment,
27 the original source of the payment is the sponsor.

28 (b) "Sponsor," for purposes of a political committee, means any
29 person, except an authorized committee, to whom any of the following
30 applies:

31 (i) The committee receives eighty percent or more of its
32 contributions either from the person or from the person's members,
33 officers, employees, or shareholders;

34 (ii) The person collects contributions for the committee by use
35 of payroll deductions or dues from its members, officers, or
36 employees.

37 ~~((43))~~ (44) "Sponsored committee" means a committee, other than
38 an authorized committee, that has one or more sponsors.

39 ~~((44))~~ (45) "State office" means state legislative office or
40 the office of governor, lieutenant governor, secretary of state,

1 attorney general, commissioner of public lands, insurance
2 commissioner, superintendent of public instruction, state auditor, or
3 state treasurer.

4 ~~((45))~~ (46) "State official" means a person who holds a state
5 office.

6 ~~((46))~~ (47) "Surplus funds" mean, in the case of a political
7 committee or candidate, the balance of contributions that remain in
8 the possession or control of that committee or candidate subsequent
9 to the election for which the contributions were received, and that
10 are in excess of the amount necessary to pay remaining debts incurred
11 by the committee or candidate with respect to that election. In the
12 case of a continuing political committee, "surplus funds" mean those
13 contributions remaining in the possession or control of the committee
14 that are in excess of the amount necessary to pay all remaining debts
15 when it makes its final report under RCW 42.17A.255.

16 ~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the
17 individuals appointed by a candidate or political committee, pursuant
18 to RCW 42.17A.210, to perform the duties specified in that section.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 42.17A
20 RCW to read as follows:

21 The commission shall provide a link on its web site to a
22 searchable database on the web site of the federal election
23 commission containing information on organizations under section 527
24 of the internal revenue code of 1986.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 42.17A
26 RCW to read as follows:

27 (1)(a) An incidental committee must file a statement of
28 organization with the commission within two weeks after the date the
29 committee first:

30 (i) Has the expectation of making contributions or expenditures
31 of at least twenty-five thousand dollars in a calendar year in any
32 election campaign, or to a political committee; and

33 (ii) Must disclose a received contribution under RCW
34 42.17A.240(2)(d).

35 (b) If an incidental committee first meets the criteria requiring
36 filing a statement of organization as specified in (a) of this
37 subsection in the last three weeks before an election, then it must
38 file the statement of organization within three business days.

1 (c) An incidental committee that does not make contributions or
2 expenditures in the amounts specified in (a) of this subsection is
3 not required to file a statement of organization with the commission.

4 (2) The statement of organization shall include but not be
5 limited to:

6 (a) The name and address of the committee;

7 (b) The names and addresses of all related or affiliated
8 political or incidental committees or other persons, and the nature
9 of the relationship or affiliation;

10 (c) The names, addresses, and titles of its officers; or if it
11 has no officers, the names, addresses, and titles of its responsible
12 leaders and the name of the person designated as the treasurer of the
13 incidental committee;

14 (d) The name, office sought, and party affiliation of each
15 candidate whom the committee is supporting or opposing if the
16 committee contributes directly to a candidate and, if donating to a
17 political committee, the name and address of that political
18 committee;

19 (e) The ballot proposition concerned, if any, and whether the
20 committee is in favor of or opposed to such proposition; and

21 (f) Such other information as the commission may by rule
22 prescribe, in keeping with the policies and purposes of this chapter.

23 (3) Any material change in information previously submitted in a
24 statement of organization shall be reported to the commission within
25 the ten days following the change.

26 **Sec. 5.** RCW 42.17A.235 and 2011 c 60 s 23 are each amended to
27 read as follows:

28 (1) In addition to the information required under RCW 42.17A.205
29 and 42.17A.210, on the day the treasurer is designated, each
30 candidate or political committee must file with the commission a
31 report of all contributions received and expenditures made prior to
32 that date, if any. In addition to the information required under RCW
33 42.17A.205 and 42.17A.210 on the day an incidental committee files a
34 statement of organization with the commission, each incidental
35 committee must file with the commission a report of any expenditures
36 under RCW 42.17A.240(6), as well as the ten largest aggregate
37 contributions received in the current calendar year from a single
38 person of ten thousand dollars or greater, including any persons tied
39 as the tenth largest source of contributions received, if any, and

1 all aggregate contributions received in the current calendar year
2 from a single person with a value of one hundred thousand dollars or
3 greater.

4 (2) Each treasurer of a political committee, or incidental
5 committee required to file a statement of organization under this
6 chapter shall file with the commission a report containing the
7 information required by RCW 42.17A.240 at the following intervals:

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

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

11 (c) On the tenth day of each month in which no other reports are
12 required to be filed under this section:

13 (i) For a political committee, only if the committee has received
14 a contribution or made an expenditure in the preceding calendar month
15 and either the total contributions received or total expenditures
16 made since the last such report exceed two hundred dollars; or

17 (ii) For an incidental committee, only if the committee has:

18 (A) Received a contribution that would change the information
19 required under RCW 42.17A.240(2)(d) as included in its last report;
20 or

21 (B) Made any expenditure reportable under RCW 42.17A.240(6) since
22 its last report, and the total expenditures made since the last
23 report exceed two hundred dollars.

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

33 (3) For the period beginning the first day of the fourth month
34 preceding the date of the special election, or for the period
35 beginning the first day of the fifth month before the date of the
36 general election, and ending on the date of that special or general
37 election, each Monday the treasurer of a political committee shall
38 file with the commission a report of each bank deposit made during
39 the previous seven calendar days. The report shall contain the name
40 of each person contributing the funds and the amount contributed by

1 each person. However, persons who contribute no more than twenty-five
2 dollars in the aggregate are not required to be identified in the
3 report. A copy of the report shall be retained by the treasurer for
4 his or her records. In the event of deposits made by a deputy
5 treasurer, the copy shall be forwarded to the treasurer for his or
6 her records. Each report shall be certified as correct by the
7 treasurer or deputy treasurer making the deposit.

8 (4) The treasurer or candidate of a political committee shall
9 maintain books of account accurately reflecting all contributions and
10 expenditures on a current basis within five business days of receipt
11 or expenditure. During the eight days immediately preceding the date
12 of the election the books of account shall be kept current within one
13 business day. As specified in the committee's statement of
14 organization filed under RCW 42.17A.205, the books of account must be
15 open for public inspection by appointment at the designated place for
16 inspections between 8:00 a.m. and 8:00 p.m. on any day from the
17 eighth day immediately before the election through the day
18 immediately before the election, other than Saturday, Sunday, or a
19 legal holiday. It is a violation of this chapter for a candidate or
20 political committee to refuse to allow and keep an appointment for an
21 inspection to be conducted during these authorized times and days.
22 The appointment must be allowed at an authorized time and day for
23 such inspections that is within twenty-four hours of the time and day
24 that is requested for the inspection.

25 (5) Copies of all reports filed pursuant to this section shall be
26 readily available for public inspection by appointment, pursuant to
27 subsection (4) of this section, at the principal headquarters or, if
28 there is no headquarters, at the address of the treasurer or such
29 other place as may be authorized by the commission.

30 (6) The treasurer or candidate shall preserve books of account,
31 bills, receipts, and all other financial records of the campaign or
32 political committee for not less than five calendar years following
33 the year during which the transaction occurred.

34 (7) All reports filed pursuant to subsection (1) or (2) of this
35 section shall be certified as correct by the candidate and the
36 treasurer.

37 (8) When there is no outstanding debt or obligation, the campaign
38 fund is closed, and the campaign is concluded in all respects or in
39 the case of a political committee, the committee has ceased to
40 function and has dissolved, the treasurer shall file a final report.

1 Upon submitting a final report, the duties of the treasurer shall
2 cease and there is no obligation to make any further reports.

3 (9) By December 31, 2015, the commission shall adopt rules for
4 the dissolution of incidental committees.

5 **Sec. 6.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
6 read as follows:

7 Each report required under RCW 42.17A.235 (1) and (2) must be
8 certified as correct by the treasurer and the candidate and shall
9 disclose the following:

10 (1) The funds on hand at the beginning of the period;

11 (2) The name and address of each person who has made one or more
12 contributions during the period, together with the money value and
13 date of each contribution and the aggregate value of all
14 contributions received from each person during the campaign, or in
15 the case of a continuing political committee, the current calendar
16 year, with the following exceptions:

17 (a) Pledges in the aggregate of less than one hundred dollars
18 from any one person need not be reported;

19 (b) Income that results from a fund-raising activity conducted in
20 accordance with RCW 42.17A.230 may be reported as one lump sum, with
21 the exception of that portion received from persons whose names and
22 addresses are required to be included in the report required by RCW
23 42.17A.230;

24 (c) Contributions of no more than twenty-five dollars in the
25 aggregate from any one person during the election campaign may be
26 reported as one lump sum if the treasurer maintains a separate and
27 private list of the name, address, and amount of each such
28 contributor; (~~and~~)

29 (d) Contributions received by an incidental committee from any
30 one person need not be reported unless:

31 (i) The person is one of the committee's ten largest sources of
32 contributions received, including any persons tied as the tenth
33 largest source of contributions received, during the current calendar
34 year, and the value of the aggregate contributions received from that
35 person during the current calendar year is ten thousand dollars or
36 greater; or

37 (ii) The person contributed a value of one hundred thousand
38 dollars or more to the incidental committee during the current
39 calendar year;

1 (e) The commission may suspend or modify reporting requirements
2 for contributions received by an incidental committee in cases of
3 manifestly unreasonable hardship under RCW 42.17A.120; and

4 (f) The money value of contributions of postage ((shall be)) is
5 the face value of the postage;

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

11 (4) All other contributions not otherwise listed or exempted;

12 (5) The name and address of each candidate or political committee
13 to which any transfer of funds was made, including the amounts and
14 dates of the transfers;

15 (6) The name and address of each person to whom an expenditure
16 was made in the aggregate amount of more than fifty dollars during
17 the period covered by this report, the amount, date, and purpose of
18 each expenditure, and the total sum of all expenditures. An
19 incidental committee only must report on such expenditures that were
20 made in support of or in opposition to any election campaign or to a
21 political committee;

22 (7) The name and address of each person directly compensated for
23 soliciting or procuring signatures on an initiative or referendum
24 petition, the amount of the compensation to each person, and the
25 total expenditures made for this purpose. Such expenditures shall be
26 reported under this subsection in addition to what is required to be
27 reported under subsection (6) of this section;

28 (8) The name and address of any person and the amount owed for
29 any debt, obligation, note, unpaid loan, or other liability in the
30 amount of more than two hundred fifty dollars or in the amount of
31 more than fifty dollars that has been outstanding for over thirty
32 days;

33 (9) The surplus or deficit of contributions over expenditures;

34 (10) The disposition made in accordance with RCW 42.17A.430 of
35 any surplus funds; and

36 (11) Any other information required by the commission by rule in
37 conformance with the policies and purposes of this chapter.

38 **Sec. 7.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to
39 read as follows:

1 (~~((1) An out of state~~) A political committee (~~(organized for the~~
2 ~~purpose of supporting or opposing candidates or ballot propositions~~
3 ~~in another state that is not otherwise required to report under RCW~~
4 ~~42.17A.205 through 42.17A.240 shall report as required in this~~
5 ~~section when it makes an expenditure supporting or opposing a~~
6 ~~Washington state candidate or political committee. The committee~~
7 ~~shall file with the commission a statement disclosing:~~

8 ~~(a) Its name and address;~~

9 ~~(b) The purposes of the out of state committee;~~

10 ~~(c) The names, addresses, and titles of its officers or, if it~~
11 ~~has no officers, the names, addresses, and the titles of its~~
12 ~~responsible leaders;~~

13 ~~(d) The name, office sought, and party affiliation of each~~
14 ~~candidate in the state of Washington whom the out of state committee~~
15 ~~is supporting or opposing and, if the committee is supporting or~~
16 ~~opposing the entire ticket of any party, the name of the party;~~

17 ~~(e) The ballot proposition supported or opposed in the state of~~
18 ~~Washington, if any, and whether the committee is in favor of or~~
19 ~~opposed to that proposition;~~

20 ~~(f) The name and address of each person residing in the state of~~
21 ~~Washington or corporation that has a place of business in the state~~
22 ~~of Washington who has made one or more contributions in the aggregate~~
23 ~~of more than twenty five dollars to the out of state committee during~~
24 ~~the current calendar year, together with the money value and date of~~
25 ~~the contributions;~~

26 ~~(g) The name, address, and employer of each person or corporation~~
27 ~~residing outside the state of Washington who has made one or more~~
28 ~~contributions in the aggregate of more than two thousand five hundred~~
29 ~~fifty dollars to the out of state committee during the current~~
30 ~~calendar year, together with the money value and date of the~~
31 ~~contributions. Annually, the commission must modify the two thousand~~
32 ~~five hundred fifty dollar limit in this subsection based on~~
33 ~~percentage change in the implicit price deflator for personal~~
34 ~~consumption expenditures for the United States as published for the~~
35 ~~most recent twelve month period by the bureau of economic analysis of~~
36 ~~the federal department of commerce;~~

37 ~~(h) The name and address of each person in the state of~~
38 ~~Washington to whom an expenditure was made by the out of state~~
39 ~~committee with respect to a candidate or political committee in the~~
40 ~~aggregate amount of more than fifty dollars, the amount, date, and~~

1 ~~purpose of the expenditure, and the total sum of the expenditures;~~
2 ~~and~~

3 ~~(i) Any other information as the commission may prescribe by rule~~
4 ~~in keeping with the policies and purposes of this chapter.~~

5 ~~(2) Each statement shall be filed no later than the tenth day of~~
6 ~~the month following any month in which a contribution or other~~
7 ~~expenditure reportable under subsection (1) of this section is made.~~
8 ~~An out-of-state committee incurring an obligation to file additional~~
9 ~~statements in a calendar year may satisfy the obligation by timely~~
10 ~~filing reports that supplement previously filed information)) or~~
11 ~~incidental committee organized outside the state of Washington is~~
12 ~~subject to the same requirements under this chapter as a political~~
13 ~~committee or incidental committee organized in the state of~~
14 ~~Washington.~~

15 NEW SECTION. Sec. 8. This act may be known and cited as the
16 dark money elimination act.

17 NEW SECTION. Sec. 9. If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected."

21 Correct the title.

EFFECT: (1) Limits the exemption from incidental committees for
organizations that file federal disclosure reports as frequently as
incidental committees;

(2) Requires an incidental committee to report on expenditures in
its initial filing;

(3) Requires an incidental committee to file a report when it
makes a reportable expenditure, if the total expenditures exceed
\$200;

(4) Requires incidental committees only to report expenditures to
an election campaign or to a political committee; and

(5) Clarifies terms for clarity and consistency.

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