

ESB 5153 - S AMD 590
By Senator Billig

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 The legislature finds that nonprofit organizations may form
21 political committees using the funds contributed only by those
22 members wishing to further the organization's campaign activity.
23 However, many members of nonprofit organizations wish to use the
24 provisions of current law to anonymously contribute to campaign
25 activity, frustrating the purposes of public disclosure laws.

26 Therefore, the legislature intends to increase transparency and
27 accountability, deter corruption, and strengthen confidence in the
28 election process by closing campaign finance disclosure loopholes and
29 requiring the disclosure of contributions and expenditures by
30 nonprofit organizations that participate significantly in Washington
31 state elections.

1 NEW SECTION. **Sec. 2.** This act may be known and cited as the
2 democracy is strengthened by casting light on spending in elections
3 act of 2016 or the Washington state DISCLOSE act of 2016.

4 **Sec. 3.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are
5 each reenacted and amended to read as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

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

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

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

21 (4) "Ballot proposition" means any "measure" as defined by RCW
22 29A.04.091, or any initiative, recall, or referendum proposition
23 proposed to be submitted to the voters of the state or any municipal
24 corporation, political subdivision, or other voting constituency from
25 and after the time when the proposition has been initially filed with
26 the appropriate election officer of that constituency before its
27 circulation for signatures.

28 (5) "Benefit" means a commercial, proprietary, financial,
29 economic, or monetary advantage, or the avoidance of a commercial,
30 proprietary, financial, economic, or monetary disadvantage.

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

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

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

38 (c) The county central committee or legislative district
39 committee of a major political party. There may be only one

1 legislative district committee for each party in each legislative
2 district.

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

6 (a) Receives contributions or makes expenditures or reserves
7 space or facilities with intent to promote his or her candidacy for
8 office;

9 (b) Announces publicly or files for office;

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

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

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

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

24 (10) "Commission" means the agency established under RCW
25 42.17A.100.

26 (11) "Compensation" unless the context requires a narrower
27 meaning, includes payment in any form for real or personal property
28 or services of any kind. For the purpose of compliance with RCW
29 42.17A.710, "compensation" does not include per diem allowances or
30 other payments made by a governmental entity to reimburse a public
31 official for expenses incurred while the official is engaged in the
32 official business of the governmental entity.

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

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

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

1 (ii) An expenditure made by a person in cooperation,
2 consultation, or concert with, or at the request or suggestion of, a
3 candidate, a political committee, the person or persons named on the
4 candidate's or committee's registration form who direct expenditures
5 on behalf of the candidate or committee, or their agents;

6 (iii) The financing by a person of the dissemination,
7 distribution, or republication, in whole or in part, of broadcast,
8 written, graphic, or other form of political advertising or
9 electioneering communication prepared by a candidate, a political
10 committee, or its authorized agent;

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

14 (b) "Contribution" does not include:

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

17 (ii) Ordinary home hospitality;

18 (iii) A contribution received by a candidate or political
19 committee that is returned to the contributor within five business
20 days of the date on which it is received by the candidate or
21 political committee;

22 (iv) A news item, feature, commentary, or editorial in a
23 regularly scheduled news medium that is of primary interest to the
24 general public, that is in a news medium controlled by a person whose
25 business is that news medium, and that is not controlled by a
26 candidate or a political committee;

27 (v) An internal political communication primarily limited to the
28 members of or contributors to a political party organization or
29 political committee, or to the officers, management staff, or
30 stockholders of a corporation or similar enterprise, or to the
31 members of a labor organization or other membership organization;

32 (vi) The rendering of personal services of the sort commonly
33 performed by volunteer campaign workers, or incidental expenses
34 personally incurred by volunteer campaign workers not in excess of
35 fifty dollars personally paid for by the worker. "Volunteer
36 services," for the purposes of this subsection, means services or
37 labor for which the individual is not compensated by any person;

38 (vii) Messages in the form of reader boards, banners, or yard or
39 window signs displayed on a person's own property or property
40 occupied by a person. However, a facility used for such political

1 advertising for which a rental charge is normally made must be
2 reported as an in-kind contribution and counts towards any applicable
3 contribution limit of the person providing the facility;

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

5 (A) A political party or caucus political committee if the person
6 paying for the services is the regular employer of the person
7 rendering such services; or

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

12 (ix) The performance of ministerial functions by a person on
13 behalf of two or more candidates or political committees either as
14 volunteer services defined in (b)(vi) of this subsection or for
15 payment by the candidate or political committee for whom the services
16 are performed as long as:

17 (A) The person performs solely ministerial functions;

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

22 (C) The person does not disclose, except as required by law, any
23 information regarding a candidate's or committee's plans, projects,
24 activities, or needs, or regarding a candidate's or committee's
25 contributions or expenditures that is not already publicly available
26 from campaign reports filed with the commission, or otherwise engage
27 in activity that constitutes a contribution under (a)(ii) of this
28 subsection.

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

33 (c) Contributions other than money or its equivalent are deemed
34 to have a monetary value equivalent to the fair market value of the
35 contribution. Services or property or rights furnished at less than
36 their fair market value for the purpose of assisting any candidate or
37 political committee are deemed a contribution. Such a contribution
38 must be reported as an in-kind contribution at its fair market value
39 and counts towards any applicable contribution limit of the provider.

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

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

6 (16) "Election" includes any primary, general, or special
7 election for public office and any election in which a ballot
8 proposition is submitted to the voters. An election in which the
9 qualifications for voting include other than those requirements set
10 forth in Article VI, section 1 (Amendment 63) of the Constitution of
11 the state of Washington shall not be considered an election for
12 purposes of this chapter.

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

16 (18) "Election cycle" means the period beginning on the first day
17 of January after the date of the last previous general election for
18 the office that the candidate seeks and ending on December 31st after
19 the next election for the office. In the case of a special election
20 to fill a vacancy in an office, "election cycle" means the period
21 beginning on the day the vacancy occurs and ending on December 31st
22 after the special election.

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

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

29 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
30 otherwise published within sixty days before any election for that
31 office in the jurisdiction in which the candidate is seeking
32 election; and

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

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

38 (i) Usual and customary advertising of a business owned by a
39 candidate, even if the candidate is mentioned in the advertising when
40 the candidate has been regularly mentioned in that advertising

1 appearing at least twelve months preceding his or her becoming a
2 candidate;

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

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

9 (A) Of primary interest to the general public;

10 (B) In a news medium controlled by a person whose business is
11 that news medium; and

12 (C) Not a medium controlled by a candidate or a political
13 committee;

14 (iv) Slate cards and sample ballots;

15 (v) Advertising for books, films, dissertations, or similar works

16 (A) written by a candidate when the candidate entered into a contract
17 for such publications or media at least twelve months before becoming
18 a candidate, or (B) written about a candidate;

19 (vi) Public service announcements;

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

25 (viii) An expenditure by or contribution to the authorized
26 committee of a candidate for state, local, or judicial office; or

27 (ix) Any other communication exempted by the commission through
28 rule consistent with the intent of this chapter.

29 (20) "Expenditure" includes a payment, contribution,
30 subscription, distribution, loan, advance, deposit, or gift of money
31 or anything of value, and includes a contract, promise, or agreement,
32 whether or not legally enforceable, to make an expenditure.
33 "Expenditure" also includes a promise to pay, a payment, or a
34 transfer of anything of value in exchange for goods, services,
35 property, facilities, or anything of value for the purpose of
36 assisting, benefiting, or honoring any public official or candidate,
37 or assisting in furthering or opposing any election campaign. For the
38 purposes of this chapter, agreements to make expenditures, contracts,
39 and promises to pay may be reported as estimated obligations until
40 actual payment is made. "Expenditure" shall not include the partial

1 or complete repayment by a candidate or political committee of the
2 principal of a loan, the receipt of which loan has been properly
3 reported.

4 (21) "Final report" means the report described as a final report
5 in RCW 42.17A.235(2).

6 (22) "General election" for the purposes of RCW 42.17A.405 means
7 the election that results in the election of a person to a state or
8 local office. It does not include a primary.

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

10 (24) "Immediate family" includes the spouse or domestic partner,
11 dependent children, and other dependent relatives, if living in the
12 household. For the purposes of the definition of "intermediary" in
13 this section, "immediate family" means an individual's spouse or
14 domestic partner, and child, stepchild, grandchild, parent,
15 stepparent, grandparent, brother, half brother, sister, or half
16 sister of the individual and the spouse or the domestic partner of
17 any such person and a child, stepchild, grandchild, parent,
18 stepparent, grandparent, brother, half brother, sister, or half
19 sister of the individual's spouse or domestic partner and the spouse
20 or the domestic partner of any such person.

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

26 (b) "Incidental committee" does not include:

27 (i) Any organization registered under section 527 of the internal
28 revenue code of 1986 that files disclosure reports with the public
29 disclosure commission, disclosure reports with the federal elections
30 commission, or public quarterly, semiannual, or monthly filings with
31 the internal revenue service; or

32 (ii) Any organization that files a lobbyist registration form in
33 Washington state that includes the information required by RCW
34 42.17A.600(1)(i). The organization must file the registration form
35 electronically when an electronic filing method is available. The
36 organization must update the information required by RCW
37 42.17A.600(1)(i) within sixty days before any primary, general, or
38 special election if the organization has made or expects to make more
39 than twenty-five thousand dollars in contributions that calendar year
40 and according to the schedule for contribution and expenditure

1 reports under RCW 42.17A.235(2) if there are any changes to the
2 information required by RCW 42.17A.600(1)(i) within thirty days
3 before an election.

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

6 ~~((+26+))~~ (27) "Independent expenditure" means an expenditure that
7 has each of the following elements:

8 (a) It is made in support of or in opposition to a candidate for
9 office by a person who is not (i) a candidate for that office, (ii)
10 an authorized committee of that candidate for that office, (iii) a
11 person who has received the candidate's encouragement or approval to
12 make the expenditure, if the expenditure pays in whole or in part for
13 political advertising supporting that candidate or promoting the
14 defeat of any other candidate or candidates for that office, or (iv)
15 a person with whom the candidate has collaborated for the purpose of
16 making the expenditure, if the expenditure pays in whole or in part
17 for political advertising supporting that candidate or promoting the
18 defeat of any other candidate or candidates for that office;

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

23 (c) The expenditure, alone or in conjunction with another
24 expenditure or other expenditures of the same person in support of or
25 opposition to that candidate, has a value of eight hundred dollars or
26 more. A series of expenditures, each of which is under eight hundred
27 dollars, constitutes one independent expenditure if their cumulative
28 value is eight hundred dollars or more.

29 ~~((+27+))~~ (28)(a) "Intermediary" means an individual who transmits
30 a contribution to a candidate or committee from another person unless
31 the contribution is from the individual's employer, immediate family,
32 or an association to which the individual belongs.

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

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

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

1 (~~(28)~~) (29) "Legislation" means bills, resolutions, motions,
2 amendments, nominations, and other matters pending or proposed in
3 either house of the state legislature, and includes any other matter
4 that may be the subject of action by either house or any committee of
5 the legislature and all bills and resolutions that, having passed
6 both houses, are pending approval by the governor.

7 (~~(29)~~) (30) "Legislative office" means the office of a member
8 of the state house of representatives or the office of a member of
9 the state senate.

10 (~~(30)~~) (31) "Lobby" and "lobbying" each mean attempting to
11 influence the passage or defeat of any legislation by the legislature
12 of the state of Washington, or the adoption or rejection of any rule,
13 standard, rate, or other legislative enactment of any state agency
14 under the state administrative procedure act, chapter 34.05 RCW.
15 Neither "lobby" nor "lobbying" includes an association's or other
16 organization's act of communicating with the members of that
17 association or organization.

18 (~~(31)~~) (32) "Lobbyist" includes any person who lobbies either
19 in his or her own or another's behalf.

20 (~~(32)~~) (33) "Lobbyist's employer" means the person or persons
21 by whom a lobbyist is employed and all persons by whom he or she is
22 compensated for acting as a lobbyist.

23 (~~(33)~~) (34) "Ministerial functions" means an act or duty
24 carried out as part of the duties of an administrative office without
25 exercise of personal judgment or discretion.

26 (~~(34)~~) (35) "Participate" means that, with respect to a
27 particular election, an entity:

28 (a) Makes either a monetary or in-kind contribution to a
29 candidate;

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

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

35 (d) Makes a recommendation regarding whether a candidate should
36 be supported or opposed before a contribution is made by a subsidiary
37 corporation or local unit with respect to that candidate or that
38 candidate's opponent; or

39 (e) Directly or indirectly collaborates or consults with a
40 subsidiary corporation or local unit on matters relating to the

1 support of or opposition to a candidate, including, but not limited
2 to, the amount of a contribution, when a contribution should be
3 given, and what assistance, services or independent expenditures, or
4 electioneering communications, if any, will be made or should be made
5 in support of or opposition to a candidate.

6 ~~((+35+))~~ (36) "Person" includes an individual, partnership, joint
7 venture, public or private corporation, association, federal, state,
8 or local governmental entity or agency however constituted,
9 candidate, committee, political committee, political party, executive
10 committee thereof, or any other organization or group of persons,
11 however organized.

12 ~~((+36+))~~ (37) "Political advertising" includes any advertising
13 displays, newspaper ads, billboards, signs, brochures, articles,
14 tabloids, flyers, letters, radio or television presentations, or
15 other means of mass communication, used for the purpose of appealing,
16 directly or indirectly, for votes or for financial or other support
17 or opposition in any election campaign.

18 ~~((+37+))~~ (38) "Political committee" means any person (except a
19 candidate or an individual dealing with his or her own funds or
20 property) having the expectation of receiving contributions or making
21 expenditures in support of, or opposition to, any candidate or any
22 ballot proposition.

23 ~~((+38+))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means
24 the procedure for nominating a candidate to state or local office
25 under chapter 29A.52 RCW or any other primary for an election that
26 uses, in large measure, the procedures established in chapter 29A.52
27 RCW.

28 ~~((+39+))~~ (40) "Public office" means any federal, state, judicial,
29 county, city, town, school district, port district, special district,
30 or other state political subdivision elective office.

31 ~~((+40+))~~ (41) "Public record" has the definition in RCW
32 42.56.010.

33 ~~((+41+))~~ (42) "Recall campaign" means the period of time
34 beginning on the date of the filing of recall charges under RCW
35 29A.56.120 and ending thirty days after the recall election.

36 ~~((+42+))~~ (43)(a) "Sponsor" for purposes of an electioneering
37 communications, independent expenditures, or political advertising
38 means the person paying for the electioneering communication,
39 independent expenditure, or political advertising. If a person acts

1 as an agent for another or is reimbursed by another for the payment,
2 the original source of the payment is the sponsor.

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

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

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

12 (~~(43)~~) (44) "Sponsored committee" means a committee, other than
13 an authorized committee, that has one or more sponsors.

14 (~~(44)~~) (45) "State office" means state legislative office or
15 the office of governor, lieutenant governor, secretary of state,
16 attorney general, commissioner of public lands, insurance
17 commissioner, superintendent of public instruction, state auditor, or
18 state treasurer.

19 (~~(45)~~) (46) "State official" means a person who holds a state
20 office.

21 (~~(46)~~) (47) "Surplus funds" mean, in the case of a political
22 committee or candidate, the balance of contributions that remain in
23 the possession or control of that committee or candidate subsequent
24 to the election for which the contributions were received, and that
25 are in excess of the amount necessary to pay remaining debts incurred
26 by the committee or candidate with respect to that election. In the
27 case of a continuing political committee, "surplus funds" mean those
28 contributions remaining in the possession or control of the committee
29 that are in excess of the amount necessary to pay all remaining debts
30 when it makes its final report under RCW 42.17A.255.

31 (~~(47)~~) (48) "Treasurer" and "deputy treasurer" mean the
32 individuals appointed by a candidate or political committee, pursuant
33 to RCW 42.17A.210, to perform the duties specified in that section.

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

36 (1) The commission shall provide a link on its web site to a
37 searchable database on the web site of the federal election
38 commission containing information on organizations under section 527
39 of the internal revenue code of 1986.

1 (2) The commission shall ensure that individual entries in
2 contribution reports published on the commission's web site link to
3 the lobbying disclosure reports of specific contributors, where the
4 contributor has filed a lobbying disclosure report.

5 NEW SECTION. **Sec. 5.** A new section is added to chapter 42.17A
6 RCW to read as follows:

7 (1)(a) An incidental committee must file a statement of
8 organization with the commission within two weeks after the date the
9 committee first:

10 (i) Has the expectation of making contributions, other than in-
11 kind contributions of staff time and office-related equipment,
12 resources, and rent to an affiliated committee, or expenditures of at
13 least twenty-five thousand dollars in a calendar year in any election
14 campaign, or to a political committee or an incidental committee; and

15 (ii) Must disclose a received contribution under RCW
16 42.17A.240(2)(d).

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

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

24 (2) The statement of organization shall include but not be
25 limited to:

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

27 (b) The names and addresses of all related or affiliated
28 political or incidental committees or other persons, and the nature
29 of the relationship or affiliation;

30 (c) The names, addresses, and titles of its officers; or if it
31 has no officers, the names, addresses, and titles of its responsible
32 leaders and the name of the person designated as the treasurer of the
33 incidental committee;

34 (d) The name, office sought, and party affiliation of each
35 candidate whom the committee is supporting or opposing if the
36 committee contributes directly to a candidate and, if donating to a
37 political committee, the name and address of that political
38 committee;

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

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

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

8 **Sec. 6.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to
9 read as follows:

10 (1) In addition to the information required under RCW 42.17A.205
11 and 42.17A.210, on the day the treasurer is designated, each
12 candidate or political committee must file with the commission a
13 report of all contributions received and expenditures made prior to
14 that date, if any. In addition to the information required under RCW
15 42.17A.205 and 42.17A.210, on the day an incidental committee files a
16 statement of organization with the commission, each incidental
17 committee must file with the commission a report of any expenditures
18 under RCW 42.17A.240(6), as well as the ten largest aggregate
19 contributions received in the current calendar year from a single
20 person of ten thousand dollars or greater, including any persons tied
21 as the tenth largest source of contributions received, if any, and
22 all aggregate contributions received in the current calendar year
23 from a single person with a value of one hundred thousand dollars or
24 greater.

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

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

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

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

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

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

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

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

7 The report filed twenty-one days before the election shall report
8 all contributions received and expenditures made as of the end of one
9 business day before the date of the report. The report filed seven
10 days before the election shall report all contributions received and
11 expenditures made as of the end of one business day before the date
12 of the report. Reports filed on the tenth day of the month shall
13 report all contributions received and expenditures made from the
14 closing date of the last report filed through the last day of the
15 month preceding the date of the current report.

16 (3) For the period beginning the first day of the fourth month
17 preceding the date of the special election, or for the period
18 beginning the first day of the fifth month before the date of the
19 general election, and ending on the date of that special or general
20 election, each Monday the treasurer of a political committee shall
21 file with the commission a report of each bank deposit made during
22 the previous seven calendar days. The report shall contain the name
23 of each person contributing the funds and the amount contributed by
24 each person. However, persons who contribute no more than twenty-five
25 dollars in the aggregate are not required to be identified in the
26 report. A copy of the report shall be retained by the treasurer for
27 his or her records. In the event of deposits made by a deputy
28 treasurer, the copy shall be forwarded to the treasurer for his or
29 her records. Each report shall be certified as correct by the
30 treasurer or deputy treasurer making the deposit.

31 (4)(a) The treasurer or candidate of a political committee shall
32 maintain books of account accurately reflecting all contributions and
33 expenditures on a current basis within five business days of receipt
34 or expenditure. During the eight days immediately preceding the date
35 of the election the books of account shall be kept current within one
36 business day. As specified in the committee's statement of
37 organization filed under RCW 42.17A.205, the books of account must be
38 open for public inspection by appointment at the designated place for
39 inspections between 8:00 a.m. and 8:00 p.m. on any day from the
40 eighth day immediately before the election through the day

1 immediately before the election, other than Saturday, Sunday, or a
2 legal holiday. It is a violation of this chapter for a candidate or
3 political committee to refuse to allow and keep an appointment for an
4 inspection to be conducted during these authorized times and days.
5 The appointment must be allowed at an authorized time and day for
6 such inspections that is within twenty-four hours of the time and day
7 that is requested for the inspection.

8 (b) At the time of making the appointment, a person wishing to
9 inspect the books of account must provide the treasurer the name and
10 telephone number of the person wishing to inspect the books of
11 account. The person inspecting the books of account must show photo
12 identification before the inspection begins.

13 (c) A treasurer may refuse to show the books of account to any
14 person who does not make an appointment or provide the required
15 identification.

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

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

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

28 (8) When there is no outstanding debt or obligation, the campaign
29 fund is closed, and the campaign is concluded in all respects or in
30 the case of a political committee, the committee has ceased to
31 function and has dissolved, the treasurer shall file a final report.
32 Upon submitting a final report, the duties of the treasurer shall
33 cease and there is no obligation to make any further reports.

34 (9) By December 31, 2016, the commission shall adopt rules for
35 the dissolution of incidental committees.

36 **Sec. 7.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to
37 read as follows:

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

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

5 (2) The name and address of each person who has made one or more
6 contributions during the period, together with the money value and
7 date of each contribution and the aggregate value of all
8 contributions received from each person during the campaign, or in
9 the case of a continuing political committee, the current calendar
10 year, with the following exceptions:

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

13 (b) Income that results from a fund-raising activity conducted in
14 accordance with RCW 42.17A.230 may be reported as one lump sum, with
15 the exception of that portion received from persons whose names and
16 addresses are required to be included in the report required by RCW
17 42.17A.230;

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

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

25 (i) The person is one of the committee's ten largest sources of
26 contributions received, including any persons tied as the tenth
27 largest source of contributions received, during the current calendar
28 year, and the value of the aggregate contributions received from that
29 person during the current calendar year is ten thousand dollars or
30 greater; or

31 (ii) The person contributed one hundred thousand dollars or more
32 to the incidental committee during the current calendar year;

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

36 (f) The money value of contributions of postage (~~shall be~~) is
37 the face value of the postage;

38 (3) Each loan, promissory note, or security instrument to be used
39 by or for the benefit of the candidate or political committee made by
40 any person, including the names and addresses of the lender and each

1 person liable directly, indirectly or contingently and the date and
2 amount of each such loan, promissory note, or security instrument;

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

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

7 (6) The name and address of each person to whom an expenditure
8 was made in the aggregate amount of more than fifty dollars during
9 the period covered by this report, the amount, date, and purpose of
10 each expenditure, and the total sum of all expenditures. An
11 incidental committee only must report on such expenditures that were
12 made directly or indirectly in support of or in opposition to any
13 election campaign or to a political or incidental committee;

14 (7) The name and address of each person directly compensated for
15 soliciting or procuring signatures on an initiative or referendum
16 petition, the amount of the compensation to each person, and the
17 total expenditures made for this purpose. Such expenditures shall be
18 reported under this subsection in addition to what is required to be
19 reported under subsection (6) of this section;

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

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

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

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

30 **Sec. 8.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to
31 read as follows:

32 ~~((1) An out-of-state))~~ A political committee ~~((organized for the~~
33 ~~purpose of supporting or opposing candidates or ballot propositions~~
34 ~~in another state that is not otherwise required to report under RCW~~
35 ~~42.17A.205 through 42.17A.240 shall report as required in this~~
36 ~~section when it makes an expenditure supporting or opposing a~~
37 ~~Washington state candidate or political committee. The committee~~
38 ~~shall file with the commission a statement disclosing:~~

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

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

2 ~~(c) The names, addresses, and titles of its officers or, if it~~
3 ~~has no officers, the names, addresses, and the titles of its~~
4 ~~responsible leaders;~~

5 ~~(d) The name, office sought, and party affiliation of each~~
6 ~~candidate in the state of Washington whom the out-of-state committee~~
7 ~~is supporting or opposing and, if the committee is supporting or~~
8 ~~opposing the entire ticket of any party, the name of the party;~~

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

12 ~~(f) The name and address of each person residing in the state of~~
13 ~~Washington or corporation that has a place of business in the state~~
14 ~~of Washington who has made one or more contributions in the aggregate~~
15 ~~of more than twenty five dollars to the out-of-state committee during~~
16 ~~the current calendar year, together with the money value and date of~~
17 ~~the contributions;~~

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

29 ~~(h) The name and address of each person in the state of~~
30 ~~Washington to whom an expenditure was made by the out-of-state~~
31 ~~committee with respect to a candidate or political committee in the~~
32 ~~aggregate amount of more than fifty dollars, the amount, date, and~~
33 ~~purpose of the expenditure, and the total sum of the expenditures;~~
34 ~~and~~

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

37 ~~(2) Each statement shall be filed no later than the tenth day of~~
38 ~~the month following any month in which a contribution or other~~
39 ~~expenditure reportable under subsection (1) of this section is made.~~
40 ~~An out-of-state committee incurring an obligation to file additional~~

1 ~~statements in a calendar year may satisfy the obligation by timely~~
2 ~~filing reports that supplement previously filed information)) or~~
3 incidental committee organized outside the state of Washington is
4 subject to the same requirements under this chapter as a political
5 committee or incidental committee organized in the state of
6 Washington.

7 NEW SECTION. **Sec. 9.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected."

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By Senator Billig

11 On page 1, line 1 of the title, after "to" strike the remainder
12 of the title and insert "increasing transparency of contributions by
13 creating the Washington state DISCLOSE act of 2016; amending RCW
14 42.17A.235, 42.17A.240, and 42.17A.250; reenacting and amending RCW
15 42.17A.005; adding new sections to chapter 42.17A RCW; and creating
16 new sections."

EFFECT: (1) Any organization that meets the following criteria is not considered an incidental committee, and not subject to the reporting requirements set forth in the bill:

(a) The organization files a lobbyist registration form, electronically when such a method is available, with the Public Disclosure Commission describing entities who are employers of the lobbyist;

(b) The organization updates that information within 60 days before an election if the organization has made or expects to make \$25,000 or more of contributions that calendar year; and

(c) The organization updates that information 21 and 7 days before an election, and on the 10th of the first month after the election, if there is a change in that information within 30 days of the election.

(2) Requires that the PDC web site link individual entries in contribution reports to the lobbying disclosure reports of specific contributors, where applicable.

(3) Requires an incidental committee to report on expenditures in its initial filing.

(4) Exempts in-kind contributions to an affiliated committee of staff time and office-related equipment, rent, and resources from the \$25,000 contribution threshold to be met for an incidental committee to trigger the organizational reporting requirement.

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

(6) Requires incidental committees only to report expenditures, made directly or indirectly, to an election campaign or to a political or incidental committee.

(7) Revises terms for clarity and consistency.

(8) Updates the statement of legislative intent.

(9) Changes the deadline for the Public Disclosure Commission to adopt rules for the dissolution of incidental committees to December 31, 2016.

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