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**SUBSTITUTE SENATE BILL 5309**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Government Operations & Security (originally sponsored by Senators Roach, Llias, Dandel, McCoy, Pearson, Keiser, and Benton; by request of Public Disclosure Commission)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to improving efficiency of public disclosure  
2 commission operations and requirements; amending RCW 42.17A.065,  
3 42.17A.105, 42.17A.120, 42.17A.615, 42.17A.645, 42.17A.710, and  
4 42.17A.420; and reenacting and amending RCW 42.17A.110.

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

6 **Sec. 1.** RCW 42.17A.065 and 2010 c 204 s 204 are each amended to  
7 read as follows:

8 ~~((By July 1st of each year,))~~ The commission shall calculate the  
9 following performance measures ~~((, provide a copy of the performance  
10 measures to the governor and appropriate legislative committees))~~ at  
11 least annually, and make the ~~((performance measures))~~ results  
12 available to the public on the commission's web site:

13 (1) The average number of days that elapse between the  
14 commission's receipt of reports filed under RCW 42.17A.205,  
15 42.17A.225, 42.17A.235, and 42.17A.255 and the time that the report,  
16 a copy of the report, or a copy of the data or information included  
17 in the report, is first accessible to the general public (a) in the  
18 commission's office, and (b) via the commission's web site;

19 (2) The average number of days that elapse between the  
20 commission's receipt of reports filed under RCW 42.17A.265 and the  
21 time that the report, a copy of the report, or a copy of the data or

1 information included in the report, is first accessible to the  
2 general public (a) in the commission's office, and (b) via the  
3 commission's web site;

4 (3) The average number of days that elapse between the  
5 commission's receipt of reports filed under RCW 42.17A.600,  
6 42.17A.615, 42.17A.625, and 42.17A.630 and the time that the report,  
7 a copy of the report, or a copy of the data or information included  
8 in the report, is first accessible to the general public (a) in the  
9 commission's office, and (b) via the commission's web site;

10 (4) The percentage of candidates, categorized as statewide,  
11 legislative, or local, that have used each of the following methods  
12 to file reports under RCW 42.17A.235 or 42.17A.265: (a) Hard copy  
13 paper format; or (b) electronic format via the internet;

14 (5) The percentage of continuing political committees that have  
15 used each of the following methods to file reports under RCW  
16 42.17A.225 or 42.17A.265: (a) Hard copy paper format; or (b)  
17 electronic format via the internet; and

18 (6) The percentage of lobbyists and lobbyists' employers that  
19 have used each of the following methods to file reports under RCW  
20 42.17A.600, 42.17A.615, 42.17A.625, or 42.17A.630: (a) Hard copy  
21 paper format; or (b) electronic format via the internet.

22 **Sec. 2.** RCW 42.17A.105 and 2010 c 204 s 302 are each amended to  
23 read as follows:

24 The commission shall:

25 (1) Develop and provide forms for the reports and statements  
26 required to be made under this chapter;

27 (2) Prepare and publish a manual setting forth recommended  
28 uniform methods of bookkeeping and reporting for use by persons  
29 required to make reports and statements under this chapter;

30 (3) Compile and maintain a current list of all filed reports and  
31 statements;

32 (4) Investigate whether properly completed statements and reports  
33 have been filed within the times required by this chapter;

34 (5) Upon complaint or upon its own motion, investigate and report  
35 apparent violations of this chapter to the appropriate law  
36 enforcement authorities;

37 ~~(6) ((Conduct a sufficient number of audits and field  
38 investigations to provide a statistically valid finding regarding the  
39 degree of compliance with the provisions of this chapter by all~~

1 ~~required filers. Any documents, records, reports, computer files,~~  
2 ~~papers, or materials provided to the commission for use in conducting~~  
3 ~~audits and investigations must be returned to the candidate,~~  
4 ~~campaign, or political committee from which they were received within~~  
5 ~~one week of the commission's completion of an audit or field~~  
6 ~~investigation;~~

7 ~~(7)) Prepare and publish ((an annual)) periodic reports to the~~  
8 ~~governor and the legislature as to the effectiveness of this chapter~~  
9 ~~and its enforcement by appropriate law enforcement authorities, which~~  
10 ~~shall include the annual performance measurements required by RCW~~  
11 ~~42.17A.065;~~

12 ~~((8)) (7) Enforce this chapter according to the powers granted~~  
13 ~~it by law;~~

14 ~~((9) Adopt rules governing the arrangement, handling, indexing,~~  
15 ~~and disclosing of those reports required by this chapter to be filed~~  
16 ~~with a county auditor or county elections official. The rules shall:~~

17 ~~(a) Ensure ease of access by the public to the reports; and~~

18 ~~(b) Include, but not be limited to, requirements for indexing the~~  
19 ~~reports by the names of candidates or political committees and by the~~  
20 ~~ballot proposition for or against which a political committee is~~  
21 ~~receiving contributions or making expenditures;~~

22 ~~(10)) (8) Adopt rules to carry out the policies of chapter 348,~~  
23 ~~Laws of 2006. The adoption of these rules is not subject to the time~~  
24 ~~restrictions of RCW 42.17A.110(1);~~

25 ~~((11)) (9) Adopt administrative rules establishing requirements~~  
26 ~~for filer participation in any system designed and implemented by the~~  
27 ~~commission for the electronic filing of reports; and~~

28 ~~((12)) (10) Maintain and make available to the public and~~  
29 ~~political committees of this state a toll-free telephone number.~~

30 **Sec. 3.** RCW 42.17A.110 and 2011 1st sp.s. c 43 s 448 and 2011 c  
31 60 s 20 are each reenacted and amended to read as follows:

32 The commission may:

33 (1) Adopt, amend, and rescind suitable administrative rules to  
34 carry out the policies and purposes of this chapter, which rules  
35 shall be adopted under chapter 34.05 RCW. Any rule relating to  
36 campaign finance, political advertising, or related forms that would  
37 otherwise take effect after June 30th of a general election year  
38 shall take effect no earlier than the day following the general  
39 election in that year;

1 (2) Appoint an executive director and set, within the limits  
2 established by the office of financial management under RCW  
3 43.03.028, the executive director's compensation. The executive  
4 director shall perform such duties and have such powers as the  
5 commission may prescribe and delegate to implement and enforce this  
6 chapter efficiently and effectively. The commission shall not  
7 delegate its authority to adopt, amend, or rescind rules nor may it  
8 delegate authority to determine whether an actual violation of this  
9 chapter has occurred or to assess penalties for such violations;

10 (3) Prepare and publish reports and technical studies as in its  
11 judgment will tend to promote the purposes of this chapter, including  
12 reports and statistics concerning campaign financing, lobbying,  
13 financial interests of elected officials, and enforcement of this  
14 chapter;

15 (4) Conduct, as it deems appropriate within available resources,  
16 audits and field investigations. Any documents, records, reports,  
17 computer files, papers, or materials provided to the commission for  
18 use in conducting audits and investigations must be returned to the  
19 candidate, campaign, or political committee from which they were  
20 received within one week of the commission's completion of an audit  
21 or field investigation;

22 (5) Make public the time and date of any formal hearing set to  
23 determine whether a violation has occurred, the question or questions  
24 to be considered, and the results thereof;

25 (6) Administer oaths and affirmations, issue subpoenas, and  
26 compel attendance, take evidence, and require the production of any  
27 records relevant to any investigation authorized under this chapter,  
28 or any other proceeding under this chapter;

29 (7) Adopt a code of fair campaign practices;

30 (8) Adopt rules relieving candidates or political committees of  
31 obligations to comply with the election campaign provisions of this  
32 chapter, if they have not received contributions nor made  
33 expenditures in connection with any election campaign of more than  
34 five thousand dollars;

35 (9) Adopt rules prescribing reasonable requirements for keeping  
36 accounts of, and reporting on a quarterly basis, costs incurred by  
37 state agencies, counties, cities, and other municipalities and  
38 political subdivisions in preparing, publishing, and distributing  
39 legislative information. For the purposes of this subsection,  
40 "legislative information" means books, pamphlets, reports, and other

1 materials prepared, published, or distributed at substantial cost, a  
2 substantial purpose of which is to influence the passage or defeat of  
3 any legislation. The state auditor in his or her regular examination  
4 of each agency under chapter 43.09 RCW shall review the rules,  
5 accounts, and reports and make appropriate findings, comments, and  
6 recommendations concerning those agencies; and

7 (10) Develop and provide to filers a system for (~~certification~~  
8 ~~of~~) certifying, without a signature, reports required under this  
9 chapter which are transmitted by facsimile or electronically to the  
10 commission. Implementation of the program is contingent on the  
11 availability of funds.

12 **Sec. 4.** RCW 42.17A.120 and 2010 c 204 s 304 are each amended to  
13 read as follows:

14 (1) The commission may suspend or modify any of the reporting  
15 requirements of this chapter if it finds that literal application of  
16 this chapter works a manifestly unreasonable hardship in a particular  
17 case and the suspension or modification will not frustrate the  
18 purposes of this chapter. The commission may suspend or modify  
19 reporting requirements only after a hearing is held and the  
20 suspension or modification receives approval from a majority of the  
21 commission. A suspension or modification of the financial affairs  
22 reporting requirements contained in RCW 42.17A.710 may be approved  
23 for an elected official's term of office, or for up to three years  
24 for an executive state officer, where no material change in the  
25 applicant's circumstances is anticipated. The commission shall act to  
26 suspend or modify any reporting requirements:

27 (a) Only if it determines that facts exist that are clear and  
28 convincing proof of the findings required under this section; and

29 (b) Only to the extent necessary to substantially relieve the  
30 hardship.

31 (2) A manifestly unreasonable hardship exists if reporting the  
32 name of an entity required to be reported under RCW  
33 42.17A.710(1)(g)(ii) would be likely to adversely affect the  
34 competitive position of any entity in which the person filing the  
35 report, or any member of his or her immediate family, holds any  
36 office, directorship, general partnership interest, or an ownership  
37 interest of ten percent or more.

38 (3) Requests for renewals of reporting modifications may be heard  
39 in a brief adjudicative proceeding as set forth in RCW 34.05.482

1 through 34.05.494 and in accordance with the standards established in  
2 this section. No initial request may be heard in a brief adjudicative  
3 proceeding. No request for renewal may be heard in a brief  
4 adjudicative proceeding if the initial request was granted more than  
5 three years previously or if the applicant is holding an office or  
6 position of employment different from the office or position held  
7 when the initial request was granted.

8 (4) Any citizen has standing to bring an action in Thurston  
9 county superior court to contest the propriety of any order entered  
10 under this section within one year from the date of the entry of the  
11 order.

12 (5) The commission shall adopt rules governing the proceedings.

13 **Sec. 5.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to  
14 read as follows:

15 (1) Any lobbyist registered under RCW 42.17A.600 and any person  
16 who lobbies shall file with the commission monthly reports of his or  
17 her lobbying activities. The reports shall be made in the form and  
18 manner prescribed by the commission and must be (~~signed~~) certified  
19 by the lobbyist. The monthly report shall be filed within fifteen  
20 days after the last day of the calendar month covered by the report.

21 (2) The monthly report shall contain:

22 (a) The totals of all expenditures for lobbying activities made  
23 or incurred by the lobbyist or on behalf of the lobbyist by the  
24 lobbyist's employer during the period covered by the report.  
25 Expenditure totals for lobbying activities shall be segregated  
26 according to financial category, including compensation; food and  
27 refreshments; living accommodations; advertising; travel;  
28 contributions; and other expenses or services. Each individual  
29 expenditure of more than twenty-five dollars for entertainment shall  
30 be identified by date, place, amount, and the names of all persons  
31 taking part in the entertainment, along with the dollar amount  
32 attributable to each person, including the lobbyist's portion.

33 (b) In the case of a lobbyist employed by more than one employer,  
34 the proportionate amount of expenditures in each category incurred on  
35 behalf of each of the lobbyist's employers.

36 (c) An itemized listing of each contribution of money or of  
37 tangible or intangible personal property, whether contributed by the  
38 lobbyist personally or delivered or transmitted by the lobbyist, to  
39 any candidate, elected official, or officer or employee of any

1 agency, or any political committee supporting or opposing any ballot  
2 proposition, or for or on behalf of any candidate, elected official,  
3 or officer or employee of any agency, or any political committee  
4 supporting or opposing any ballot proposition. All contributions made  
5 to, or for the benefit of, any candidate, elected official, or  
6 officer or employee of any agency, or any political committee  
7 supporting or opposing any ballot proposition shall be identified by  
8 date, amount, and the name of the candidate, elected official, or  
9 officer or employee of any agency, or any political committee  
10 supporting or opposing any ballot proposition receiving, or to be  
11 benefited by each such contribution.

12 (d) The subject matter of proposed legislation or other  
13 legislative activity or rule making under chapter 34.05 RCW, the  
14 state administrative procedure act, and the state agency considering  
15 the same, which the lobbyist has been engaged in supporting or  
16 opposing during the reporting period, unless exempt under RCW  
17 42.17A.610(2).

18 (e) A listing of each payment for an item specified in RCW  
19 42.52.150(5) in excess of fifty dollars and each item specified in  
20 RCW 42.52.010(~~((+10))~~) (9) (d) and (f) made to a state elected  
21 official, state officer, or state employee. Each item shall be  
22 identified by recipient, date, and approximate value of the item.

23 (f) The total expenditures paid or incurred during the reporting  
24 period by the lobbyist for lobbying purposes, whether through or on  
25 behalf of a lobbyist or otherwise, for (i) political advertising as  
26 defined in RCW 42.17A.005; and (ii) public relations, telemarketing,  
27 polling, or similar activities if the activities, directly or  
28 indirectly, are intended, designed, or calculated to influence  
29 legislation or the adoption or rejection of a rule, standard, or rate  
30 by an agency under the administrative procedure act. The report shall  
31 specify the amount, the person to whom the amount was paid, and a  
32 brief description of the activity.

33 (3) Lobbyists are not required to report the following:

34 (a) Unreimbursed personal living and travel expenses not incurred  
35 directly for lobbying;

36 (b) Any expenses incurred for his or her own living  
37 accommodations;

38 (c) Any expenses incurred for his or her own travel to and from  
39 hearings of the legislature;

1 (d) Any expenses incurred for telephone, and any office expenses,  
2 including rent and salaries and wages paid for staff and secretarial  
3 assistance.

4 (4) The commission may adopt rules to vary the content of  
5 lobbyist reports to address specific circumstances, consistent with  
6 this section. Lobbyist reports are subject to audit by the  
7 commission.

8 **Sec. 6.** RCW 42.17A.645 and 2010 c 204 s 810 are each amended to  
9 read as follows:

10 If any person registered or required to be registered as a  
11 lobbyist, or any employer of any person registered or required to be  
12 registered as a lobbyist, employs a member or an employee of the  
13 legislature, a member of a state board or commission, or a full-time  
14 state employee, and that new employee remains in the partial employ  
15 of the state, the new employer must file within fifteen days after  
16 employment a certified statement with the commission(~~(, signed under~~  
17 ~~oath,)~~) setting out the nature of the employment, the name of the  
18 person employed, and the amount of pay or consideration.

19 **Sec. 7.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to  
20 read as follows:

21 (1) The statement of financial affairs required by RCW 42.17A.700  
22 shall disclose the following information for the reporting individual  
23 and each member of his or her immediate family:

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

25 (b)(i) Each bank account, savings account, and insurance policy  
26 in which a direct financial interest was held that exceeds (~~twenty~~)  
27 twenty-four thousand dollars at any time during the reporting period  
28 and its highest value during the reporting period; and

29 (ii) Each other item of intangible personal property in which a  
30 direct financial interest was held that exceeds (~~two~~) five thousand  
31 dollars during the reporting period(~~(; the name, address, and nature~~  
32 of the entity; and the nature and highest value of each direct  
33 financial interest during the reporting period)). For each reportable  
34 interest under this subsection (1)(b)(ii), the disclosure must  
35 include the name and nature of the direct financial interest and its  
36 value. For purposes of reporting the value of any reportable direct  
37 financial interest held on December 31st of the reporting period, the  
38 year-end value may be used. When reporting the value of any



1 reportable direct financial interest not held on December 31st of the  
2 reporting period, the highest value during the reporting period must  
3 be used. Ownership of shares of multiple mutual funds within the same  
4 mutual fund family may be disclosed by reporting the mutual fund  
5 family name;

6 (c) The name and address of each creditor to whom the value of  
7 two thousand four hundred dollars or more was owed; the original  
8 amount of each debt to each creditor; the amount of each debt owed to  
9 each creditor as of the date of filing; the terms of repayment of  
10 each debt; and the security given, if any, for each such debt. Debts  
11 arising from a "retail installment transaction" as defined in chapter  
12 63.14 RCW (retail installment sales act) need not be reported;

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

15 (e) All persons for whom any legislation, rule, rate, or standard  
16 has been prepared, promoted, or opposed for current or deferred  
17 compensation. For the purposes of this subsection, "compensation"  
18 does not include payments made to the person reporting by the  
19 governmental entity for which the person serves as an elected  
20 official or state executive officer or professional staff member for  
21 his or her service in office; the description of such actual or  
22 proposed legislation, rules, rates, or standards; and the amount of  
23 current or deferred compensation paid or promised to be paid;

24 (f) The name and address of each governmental entity,  
25 corporation, partnership, joint venture, sole proprietorship,  
26 association, union, or other business or commercial entity from whom  
27 compensation has been received in any form of a total value of two  
28 thousand four hundred dollars or more; the value of the compensation;  
29 and the consideration given or performed in exchange for the  
30 compensation;

31 (g) The name of any corporation, partnership, joint venture,  
32 association, union, or other entity in which is held any office,  
33 directorship, or any general partnership interest, or an ownership  
34 interest of ten percent or more; the name or title of that office,  
35 directorship, or partnership; the nature of ownership interest; and:

36 (i) With respect to a governmental unit in which the official seeks  
37 or holds any office or position, if the entity has received  
38 compensation in any form during the preceding twelve months from the  
39 governmental unit, the value of the compensation and the  
40 consideration given or performed in exchange for the compensation;

1 and (ii) the name of each governmental unit, corporation,  
2 partnership, joint venture, sole proprietorship, association, union,  
3 or other business or commercial entity from which the entity has  
4 received compensation in any form in the amount of (~~ten~~) twelve  
5 thousand dollars or more during the preceding twelve months and the  
6 consideration given or performed in exchange for the compensation. As  
7 used in (g)(ii) of this subsection, "compensation" does not include  
8 payment for water and other utility services at rates approved by the  
9 Washington state utilities and transportation commission or the  
10 legislative authority of the public entity providing the service.  
11 With respect to any bank or commercial lending institution in which  
12 is held any office, directorship, partnership interest, or ownership  
13 interest, it shall only be necessary to report either the name,  
14 address, and occupation of every director and officer of the bank or  
15 commercial lending institution and the average monthly balance of  
16 each account held during the preceding twelve months by the bank or  
17 commercial lending institution from the governmental entity for which  
18 the individual is an official or candidate or professional staff  
19 member, or all interest paid by a borrower on loans from and all  
20 interest paid to a depositor by the bank or commercial lending  
21 institution if the interest exceeds two thousand (~~four~~) nine  
22 hundred dollars;

23 (h) A list, including legal or other sufficient descriptions as  
24 prescribed by the commission, of all real property in the state of  
25 Washington, the assessed valuation of which exceeds (~~ten~~) twelve  
26 thousand dollars in which any direct financial interest was acquired  
27 during the preceding calendar year, and a statement of the amount and  
28 nature of the financial interest and of the consideration given in  
29 exchange for that interest;

30 (i) A list, including legal or other sufficient descriptions as  
31 prescribed by the commission, of all real property in the state of  
32 Washington, the assessed valuation of which exceeds (~~ten~~) twelve  
33 thousand dollars in which any direct financial interest was divested  
34 during the preceding calendar year, and a statement of the amount and  
35 nature of the consideration received in exchange for that interest,  
36 and the name and address of the person furnishing the consideration;

37 (j) A list, including legal or other sufficient descriptions as  
38 prescribed by the commission, of all real property in the state of  
39 Washington, the assessed valuation of which exceeds (~~ten~~) twelve  
40 thousand dollars in which a direct financial interest was held. If a

1 description of the property has been included in a report previously  
2 filed, the property may be listed, for purposes of this subsection  
3 (1)(j), by reference to the previously filed report;

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

11 (l) A list of each occasion, specifying date, donor, and amount,  
12 at which food and beverage in excess of fifty dollars was accepted  
13 under RCW 42.52.150(5);

14 (m) A list of each occasion, specifying date, donor, and amount,  
15 at which items specified in RCW 42.52.010~~((+10))~~ (9) (d) and (f)  
16 were accepted; and

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

20 (2)(a) Where an amount is required to be reported under  
21 subsection (1)(a) through (m) of this section, it ~~((shall be~~  
22 ~~sufficient to comply with the requirement to report whether the~~  
23 ~~amount is less than four thousand dollars, at least four thousand~~  
24 ~~dollars but less than twenty thousand dollars, at least twenty~~  
25 ~~thousand dollars but less than forty thousand dollars, at least forty~~  
26 ~~thousand dollars but less than one hundred thousand dollars, or one~~  
27 ~~hundred thousand dollars or more)) may be reported as provided in (b)~~  
28 of this subsection.

29 (b)

<u>Code A</u>	<u>Less than \$30,000</u>
<u>Code B</u>	<u>At least \$30,000 but less than \$60,000</u>
<u>Code C</u>	<u>At least \$60,000 but less than \$100,000</u>
<u>Code D</u>	<u>At least \$100,000 but less than \$200,000</u>
<u>Code E</u>	<u>At least \$200,000 but less than \$500,000</u>
<u>Code F</u>	<u>At least \$500,000 but less than \$750,000</u>
<u>Code G</u>	<u>At least \$750,000 but less than \$1,000,000</u>
<u>Code H</u>	<u>\$1,000,000 or more</u>

1        (c) An amount of stock may be reported by number of shares  
2 instead of by market value.

3        (d) No provision of this subsection (2) may be interpreted to  
4 prevent any person from filing more information or more detailed  
5 information than required.

6        (3) Items of value given to an official's or employee's spouse,  
7 domestic partner, or family member are attributable to the official  
8 or employee, except the item is not attributable if an independent  
9 business, family, or social relationship exists between the donor and  
10 the spouse, domestic partner, or family member.

11        **Sec. 8.** RCW 42.17A.420 and 2010 c 204 s 604 are each amended to  
12 read as follows:

13        (1) It is a violation of this chapter for any person to make, or  
14 for any candidate or political committee to accept from any one  
15 person, contributions reportable under RCW 42.17A.240 in the  
16 aggregate exceeding fifty thousand dollars for any campaign for  
17 statewide office or exceeding five thousand dollars for any other  
18 ~~((campaign))~~ office subject to the provisions of this chapter within  
19 twenty-one days of a general election. This subsection does not apply  
20 to contributions made by, or accepted from, a bona fide political  
21 party as defined in this chapter, excluding the county central  
22 committee or legislative district committee.

23        (2) Contributions governed by this section include, but are not  
24 limited to, contributions made or received indirectly through a third  
25 party or entity whether the contributions are or are not reported to  
26 the commission as earmarked contributions under RCW 42.17A.270.

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