S-3258.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SUBSTITUTE SENATE BILL 5108**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2018 Regular Session**

**By** Senate State Government, Tribal Relations & Elections (originally sponsored by Senators Billig, Miloscia, Hunt, Palumbo, Liias, Fain, Saldaña, Pedersen, Carlyle, Keiser, Cleveland, Mullet, Conway, and Kuderer)

AN ACT Relating to contributions from political committees to other political committees; adding a new section to chapter 42.17A RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that the public has the right to know who is contributing to election campaigns in Washington state and that campaign finance disclosure deters corruption, increases public confidence in Washington state elections, raises the level of debate, and strengthens our representative democracy.

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

One of the cornerstones of Washington state's campaign finance disclosure laws is the requirement that political advertisements disclose the sponsor and the sponsor's top five donors. Many political action committees have avoided this important transparency requirement by funneling money from political action committee to political action committee so the top five donors listed are deceptive political action committee names rather than the real donors. The legislature finds that this practice, sometimes called "gray money" or "donor washing," undermines the intent of Washington state's campaign finance laws and impairs the transparency required for fair elections and a healthy democracy.

Therefore, the legislature intends to close this disclosure loophole, increase transparency and accountability, raise the level of discourse, deter corruption, and strengthen confidence in the election process by prohibiting political committees from receiving an overwhelming majority of their funds from one or a combination of political committees.

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

(1) For any requirement of including "top five contributors" information under RCW 42.17A.320 or any other provision of this chapter, the persons or entities making the largest contributions shall be determined solely as follows:

(a) The sponsor must first identify the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period preceding the date on which the advertisement is initially to be published or otherwise presented to the public;

(b) For any political committee that qualifies as one of the top five contributors identified under (a) of this subsection, the top five contributors to that political committee during the same period must then be identified, and so on, until the individuals or entities other than political committees that have contributed the most to all political committees involved with the advertisement have been identified; and

(c) The sponsor's advertisement must then list the top five individuals or entities other than political committees contributing in excess of seven hundred dollars and making the largest aggregate contributions among all those identified under (a) and (b) of this subsection.

(2) Contributions to the sponsor that are earmarked, tracked, and used for purposes other than the advertisement in question should not be counted in identifying the top five contributors under subsection (1) of this section.

(3) The commission is authorized to adopt rules, as needed, to prevent circumvention and effectuate the purposes of top five contributors information requirements, which are intended to inform voters about the individuals and entities sponsoring political advertisements.

**--- END ---**