

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2938**

Chapter 304, Laws of 2018  
(partial veto)

65th Legislature  
2018 Regular Session

CAMPAIGN FINANCE--ENFORCEMENT AND REPORTING

EFFECTIVE DATE: June 7, 2018

Passed by the House March 3, 2018  
Yeas 92 Nays 4

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate February 27, 2018  
Yeas 48 Nays 0

CYRUS HABIB

**President of the Senate**

Approved March 28, 2018 1:32 PM with  
the exception of Sections 9 and 10,  
which are vetoed.

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2938** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 29, 2018

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 2938

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AS AMENDED BY THE SENATE

Passed Legislature - 2018 Regular Session

State of Washington

65th Legislature

2018 Regular Session

By House State Government, Elections & Information Technology  
(originally sponsored by Representatives Hudgins, Dolan, Kagi, Wylie,  
Ormsby, and Pollet)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to campaign finance law enforcement and  
2 reporting; amending RCW 42.17A.055, 42.17A.110, 42.17A.225,  
3 42.17A.235, 42.17A.240, 42.17A.255, 42.17A.265, 42.17A.450,  
4 42.17A.750, 42.17A.755, 42.17A.765, and 42.17A.770; reenacting and  
5 amending RCW 42.17A.005 and 42.17A.220; adding new sections to  
6 chapter 42.17A RCW; creating a new section; and making  
7 appropriations.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that state campaign  
10 finance laws are intended to provide maximum transparency to the  
11 public and voters so they may know who is funding political campaigns  
12 and how those campaigns spend their money. Additionally, our campaign  
13 finance laws should not be so complex and complicated that volunteers  
14 and newcomers to the political process cannot understand the rules or  
15 have difficulty following them. The legislature believes that our  
16 campaign finance laws should not be a barrier to participating in the  
17 political process, but instead encourage people to participate in the  
18 process by ensuring a level playing field and a predictable  
19 enforcement mechanism. The legislature intends to simplify the  
20 political reporting and enforcement process without sacrificing  
21 transparency and the public's right to know who funds political

1 campaigns. The legislature also intends to expedite the public  
2 disclosure commission's enforcement procedures so that remedial  
3 campaign finance violations can be dealt with administratively.

4 The intent of the law is not to trap or embarrass people when  
5 they make honest remediable errors. A majority of smaller campaigns  
6 are volunteer-driven and most treasurers are not professional  
7 accountants. The public disclosure commission should be guided to  
8 review and address major violations, intentional violations, and  
9 violations that could change the outcome of an election or materially  
10 affect the public interest.

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

13 The definitions in this section apply throughout this chapter  
14 unless the context clearly requires otherwise.

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

17 (2) "Actual violation" means a violation of this chapter that is  
18 not a remedial violation or technical correction.

19 (3) "Agency" includes all state agencies and all local agencies.  
20 "State agency" includes every state office, department, division,  
21 bureau, board, commission, or other state agency. "Local agency"  
22 includes every county, city, town, municipal corporation, quasi-  
23 municipal corporation, or special purpose district, or any office,  
24 department, division, bureau, board, commission, or agency thereof,  
25 or other local public agency.

26 ~~((3))~~ (4) "Authorized committee" means the political committee  
27 authorized by a candidate, or by the public official against whom  
28 recall charges have been filed, to accept contributions or make  
29 expenditures on behalf of the candidate or public official.

30 ~~((4))~~ (5) "Ballot proposition" means any "measure" as defined  
31 by RCW 29A.04.091, or any initiative, recall, or referendum  
32 proposition proposed to be submitted to the voters of the state or  
33 any municipal corporation, political subdivision, or other voting  
34 constituency from and after the time when the proposition has been  
35 initially filed with the appropriate election officer of that  
36 constituency before its circulation for signatures.

37 ~~((5))~~ (6) "Benefit" means a commercial, proprietary, financial,  
38 economic, or monetary advantage, or the avoidance of a commercial,  
39 proprietary, financial, economic, or monetary disadvantage.

1       (~~(6)~~) (7) "Bona fide political party" means:

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

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

8       (c) The county central committee or legislative district  
9 committee of a major political party. There may be only one  
10 legislative district committee for each party in each legislative  
11 district.

12       (~~(7)~~) (8) "Books of account" means:

13       (a) In the case of a campaign or political committee, a ledger or  
14 similar listing of contributions, expenditures, and debts, such as a  
15 campaign or committee is required to file regularly with the  
16 commission, current as of the most recent business day; or

17       (b) In the case of a commercial advertiser, details of political  
18 advertising or electioneering communications provided by the  
19 advertiser, including the names and addresses of persons from whom it  
20 accepted political advertising or electioneering communications, the  
21 exact nature and extent of the services rendered and the total cost  
22 and the manner of payment for the services.

23       (9) "Candidate" means any individual who seeks nomination for  
24 election or election to public office. An individual seeks nomination  
25 or election when he or she first:

26       (a) Receives contributions or makes expenditures or reserves  
27 space or facilities with intent to promote his or her candidacy for  
28 office;

29       (b) Announces publicly or files for office;

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

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

35       (~~(8)~~) (10) "Caucus political committee" means a political  
36 committee organized and maintained by the members of a major  
37 political party in the state senate or state house of  
38 representatives.

39       (~~(9)~~) (11) "Commercial advertiser" means any person who sells  
40 the service of communicating messages or producing printed material

1 for broadcast or distribution to the general public or segments of  
2 the general public whether through the use of newspapers, magazines,  
3 television and radio stations, billboard companies, direct mail  
4 advertising companies, printing companies, or otherwise.

5 ~~((+10))~~ (12) "Commission" means the agency established under RCW  
6 42.17A.100.

7 ~~((+11))~~ (13) "Committee" unless the context indicates otherwise,  
8 includes any candidate, ballot measure, recall, political, or  
9 continuing committee.

10 (14) "Compensation" unless the context requires a narrower  
11 meaning, includes payment in any form for real or personal property  
12 or services of any kind. For the purpose of compliance with RCW  
13 42.17A.710, "compensation" does not include per diem allowances or  
14 other payments made by a governmental entity to reimburse a public  
15 official for expenses incurred while the official is engaged in the  
16 official business of the governmental entity.

17 ~~((+12))~~ (15) "Continuing political committee" means a political  
18 committee that is an organization of continuing existence not  
19 established in anticipation of any particular election campaign.

20 ~~((+13))~~ (16)(a) "Contribution" includes:

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

25 (ii) An expenditure made by a person in cooperation,  
26 consultation, or concert with, or at the request or suggestion of, a  
27 candidate, a political committee, the person or persons named on the  
28 candidate's or committee's registration form who direct expenditures  
29 on behalf of the candidate or committee, or their agents;

30 (iii) The financing by a person of the dissemination,  
31 distribution, or republication, in whole or in part, of broadcast,  
32 written, graphic, or other form of political advertising or  
33 electioneering communication prepared by a candidate, a political  
34 committee, or its authorized agent;

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

38 (b) "Contribution" does not include:

39 (i) ~~((Standard))~~ Legally accrued interest on money deposited in a  
40 political committee's account;

1 (ii) Ordinary home hospitality;

2 (iii) A contribution received by a candidate or political  
3 committee that is returned to the contributor within (~~five~~) ten  
4 business days of the date on which it is received by the candidate or  
5 political committee;

6 (iv) A news item, feature, commentary, or editorial in a  
7 regularly scheduled news medium that is of primary interest to the  
8 general public, that is in a news medium controlled by a person whose  
9 business is that news medium, and that is not controlled by a  
10 candidate or a political committee;

11 (v) An internal political communication primarily limited to the  
12 members of or contributors to a political party organization or  
13 political committee, or to the officers, management staff, or  
14 stockholders of a corporation or similar enterprise, or to the  
15 members of a labor organization or other membership organization;

16 (vi) The rendering of personal services of the sort commonly  
17 performed by volunteer campaign workers, or incidental expenses  
18 personally incurred by volunteer campaign workers not in excess of  
19 fifty dollars personally paid for by the worker. "Volunteer  
20 services," for the purposes of this subsection, means services or  
21 labor for which the individual is not compensated by any person;

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

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

29 (A) A political party or caucus political committee if the person  
30 paying for the services is the regular employer of the person  
31 rendering such services; or

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

36 (ix) The performance of ministerial functions by a person on  
37 behalf of two or more candidates or political committees either as  
38 volunteer services defined in (b)(vi) of this subsection or for  
39 payment by the candidate or political committee for whom the services  
40 are performed as long as:

1 (A) The person performs solely ministerial functions;

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

6 (C) The person does not disclose, except as required by law, any  
7 information regarding a candidate's or committee's plans, projects,  
8 activities, or needs, or regarding a candidate's or committee's  
9 contributions or expenditures that is not already publicly available  
10 from campaign reports filed with the commission, or otherwise engage  
11 in activity that constitutes a contribution under (a)(ii) of this  
12 subsection.

13 A person who performs ministerial functions under this subsection  
14 (~~((13))~~) (16)(b)(ix) is not considered an agent of the candidate or  
15 committee as long as he or she has no authority to authorize  
16 expenditures or make decisions on behalf of the candidate or  
17 committee.

18 (c) Contributions other than money or its equivalent are deemed  
19 to have a monetary value equivalent to the fair market value of the  
20 contribution. Services or property or rights furnished at less than  
21 their fair market value for the purpose of assisting any candidate or  
22 political committee are deemed a contribution. Such a contribution  
23 must be reported as an in-kind contribution at its fair market value  
24 and counts towards any applicable contribution limit of the provider.

25 (~~((14))~~) (17) "Depository" means a bank, mutual savings bank,  
26 savings and loan association, or credit union doing business in this  
27 state.

28 (~~((15))~~) (18) "Elected official" means any person elected at a  
29 general or special election to any public office, and any person  
30 appointed to fill a vacancy in any such office.

31 (~~((16))~~) (19) "Election" includes any primary, general, or  
32 special election for public office and any election in which a ballot  
33 proposition is submitted to the voters. An election in which the  
34 qualifications for voting include other than those requirements set  
35 forth in Article VI, section 1 (Amendment 63) of the Constitution of  
36 the state of Washington shall not be considered an election for  
37 purposes of this chapter.

38 (~~((17))~~) (20) "Election campaign" means any campaign in support  
39 of or in opposition to a candidate for election to public office and

1 any campaign in support of, or in opposition to, a ballot  
2 proposition.

3 ~~((18))~~ (21) "Election cycle" means the period beginning on the  
4 first day of January after the date of the last previous general  
5 election for the office that the candidate seeks and ending on  
6 December 31st after the next election for the office. In the case of  
7 a special election to fill a vacancy in an office, "election cycle"  
8 means the period beginning on the day the vacancy occurs and ending  
9 on December 31st after the special election.

10 ~~((19))~~ (22)(a) "Electioneering communication" means any  
11 broadcast, cable, or satellite television ~~((or))~~, radio transmission,  
12 digital communication, United States postal service mailing,  
13 billboard, newspaper, or periodical that:

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

17 (ii) Is broadcast, transmitted electronically or by other means,  
18 mailed, erected, distributed, or otherwise published within sixty  
19 days before any election for that office in the jurisdiction in which  
20 the candidate is seeking election; and

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

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

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

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

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

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

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

1 (C) Not a medium controlled by a candidate or a political  
2 committee;

3 (iv) Slate cards and sample ballots;

4 (v) Advertising for books, films, dissertations, or similar works  
5 (A) written by a candidate when the candidate entered into a contract  
6 for such publications or media at least twelve months before becoming  
7 a candidate, or (B) written about a candidate;

8 (vi) Public service announcements;

9 (vii) (~~(A-mailed)~~) An internal political communication primarily  
10 limited to the members of or contributors to a political party  
11 organization or political committee, or to the officers, management  
12 staff, or stockholders of a corporation or similar enterprise, or to  
13 the members of a labor organization or other membership organization;

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

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

18 (~~(+20)~~) (23) "Expenditure" includes a payment, contribution,  
19 subscription, distribution, loan, advance, deposit, or gift of money  
20 or anything of value, and includes a contract, promise, or agreement,  
21 whether or not legally enforceable, to make an expenditure.  
22 "Expenditure" also includes a promise to pay, a payment, or a  
23 transfer of anything of value in exchange for goods, services,  
24 property, facilities, or anything of value for the purpose of  
25 assisting, benefiting, or honoring any public official or candidate,  
26 or assisting in furthering or opposing any election campaign. For the  
27 purposes of this chapter, agreements to make expenditures, contracts,  
28 and promises to pay may be reported as estimated obligations until  
29 actual payment is made. "Expenditure" shall not include the partial  
30 or complete repayment by a candidate or political committee of the  
31 principal of a loan, the receipt of which loan has been properly  
32 reported.

33 (~~(+21)~~) (24) "Final report" means the report described as a  
34 final report in RCW 42.17A.235(2).

35 (~~(+22)~~) (25) "General election" for the purposes of RCW  
36 42.17A.405 means the election that results in the election of a  
37 person to a state or local office. It does not include a primary.

38 (~~(+23)~~) (26) "Gift" has the definition in RCW 42.52.010.

39 (~~(+24)~~) (27) "Immediate family" includes the spouse or domestic  
40 partner, dependent children, and other dependent relatives, if living

1 in the household. For the purposes of the definition of  
2 "intermediary" in this section, "immediate family" means an  
3 individual's spouse or domestic partner, and child, stepchild,  
4 grandchild, parent, stepparent, grandparent, brother, half brother,  
5 sister, or half sister of the individual and the spouse or the  
6 domestic partner of any such person and a child, stepchild,  
7 grandchild, parent, stepparent, grandparent, brother, half brother,  
8 sister, or half sister of the individual's spouse or domestic partner  
9 and the spouse or the domestic partner of any such person.

10 ~~((+25+))~~ (28) "Incumbent" means a person who is in present  
11 possession of an elected office.

12 ~~((+26+))~~ (29)(a) "Independent expenditure" means an expenditure  
13 that has each of the following elements:

14 ~~((+a+))~~ (i) It is made in support of or in opposition to a  
15 candidate for office by a person who is not ~~((+i+))~~:

16 (A) A candidate for that office~~((+ii+))~~;

17 (B) An authorized committee of that candidate for that office~~((+iii+))~~; and  
18

19 (C) A person who has received the candidate's encouragement or  
20 approval to make the expenditure, if the expenditure pays in whole or  
21 in part for political advertising supporting that candidate or  
22 promoting the defeat of any other candidate or candidates for that  
23 office~~((+or+iv+))~~;

24 (ii) It is made in support of or in opposition to a candidate for  
25 office by a person with whom the candidate has not collaborated for  
26 the purpose of making the expenditure, if the expenditure pays in  
27 whole or in part for political advertising supporting that candidate  
28 or promoting the defeat of any other candidate or candidates for that  
29 office;

30 ~~((+b+))~~ (iii) The expenditure pays in whole or in part for  
31 political advertising that either specifically names the candidate  
32 supported or opposed, or clearly and beyond any doubt identifies the  
33 candidate without using the candidate's name; and

34 ~~((+c+))~~ (iv) The expenditure, alone or in conjunction with  
35 another expenditure or other expenditures of the same person in  
36 support of or opposition to that candidate, has a value of ~~((eight~~  
37 ~~hundred dollars))~~ one-half the contribution limit from an individual  
38 per election or more. A series of expenditures, each of which is  
39 under ~~((eight hundred dollars))~~ one-half the contribution limit from  
40 an individual per election, constitutes one independent expenditure

1 if their cumulative value is (~~eight hundred dollars~~) one-half the  
2 contribution limit from an individual per election or more.

3 (~~(+27)~~) (b) "Independent expenditure" does not include: Ordinary  
4 home hospitality; communications with journalists or editorial staff  
5 designed to elicit a news item, feature, commentary, or editorial in  
6 a regularly scheduled news medium that is of primary interest to the  
7 general public, controlled by a person whose business is that news  
8 medium, and not controlled by a candidate or a political committee;  
9 participation in the creation of a publicly funded voters pamphlet  
10 statement in written or video form; an internal political  
11 communication primarily limited to contributors to a political party  
12 organization or political action committee, the officers, management  
13 staff, and stockholders of a corporation or similar enterprise, or  
14 the members of a labor organization or other membership organization;  
15 or the rendering of personal services of the sort commonly performed  
16 by volunteer campaign workers or incidental expenses personally  
17 incurred by volunteer campaign workers not in excess of two hundred  
18 fifty dollars personally paid for by the worker.

19 (30)(a) "Intermediary" means an individual who transmits a  
20 contribution to a candidate or committee from another person unless  
21 the contribution is from the individual's employer, immediate family,  
22 or an association to which the individual belongs.

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

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

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

30 (~~(+28)~~) (31) "Legislation" means bills, resolutions, motions,  
31 amendments, nominations, and other matters pending or proposed in  
32 either house of the state legislature, and includes any other matter  
33 that may be the subject of action by either house or any committee of  
34 the legislature and all bills and resolutions that, having passed  
35 both houses, are pending approval by the governor.

36 (~~(+29)~~) (32) "Legislative office" means the office of a member  
37 of the state house of representatives or the office of a member of  
38 the state senate.

39 (~~(+30)~~) (33) "Lobby" and "lobbying" each mean attempting to  
40 influence the passage or defeat of any legislation by the legislature

1 of the state of Washington, or the adoption or rejection of any rule,  
2 standard, rate, or other legislative enactment of any state agency  
3 under the state administrative procedure act, chapter 34.05 RCW.  
4 Neither "lobby" nor "lobbying" includes an association's or other  
5 organization's act of communicating with the members of that  
6 association or organization.

7 ~~((31))~~ (34) "Lobbyist" includes any person who lobbies either  
8 in his or her own or another's behalf.

9 ~~((32))~~ (35) "Lobbyist's employer" means the person or persons  
10 by whom a lobbyist is employed and all persons by whom he or she is  
11 compensated for acting as a lobbyist.

12 ~~((33))~~ (36) "Ministerial functions" means an act or duty  
13 carried out as part of the duties of an administrative office without  
14 exercise of personal judgment or discretion.

15 ~~((34))~~ (37) "Participate" means that, with respect to a  
16 particular election, an entity:

17 (a) Makes either a monetary or in-kind contribution to a  
18 candidate;

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

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

24 (d) Makes a recommendation regarding whether a candidate should  
25 be supported or opposed before a contribution is made by a subsidiary  
26 corporation or local unit with respect to that candidate or that  
27 candidate's opponent; or

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

35 ~~((35))~~ (38) "Person" includes an individual, partnership, joint  
36 venture, public or private corporation, association, federal, state,  
37 or local governmental entity or agency however constituted,  
38 candidate, committee, political committee, political party, executive  
39 committee thereof, or any other organization or group of persons,  
40 however organized.

1       (~~(36)~~) (39) "Political advertising" includes any advertising  
2 displays, newspaper ads, billboards, signs, brochures, articles,  
3 tabloids, flyers, letters, radio or television presentations, digital  
4 communication, or other means of mass communication, used for the  
5 purpose of appealing, directly or indirectly, for votes or for  
6 financial or other support or opposition in any election campaign.

7       (~~(37)~~) (40) "Political committee" means any person (except a  
8 candidate or an individual dealing with his or her own funds or  
9 property) having the expectation of receiving contributions or making  
10 expenditures in support of, or opposition to, any candidate or any  
11 ballot proposition.

12       (~~(38)~~) (41) "Primary" for the purposes of RCW 42.17A.405 means  
13 the procedure for nominating a candidate to state or local office  
14 under chapter 29A.52 RCW or any other primary for an election that  
15 uses, in large measure, the procedures established in chapter 29A.52  
16 RCW.

17       (~~(39)~~) (42) "Public office" means any federal, state, judicial,  
18 county, city, town, school district, port district, special district,  
19 or other state political subdivision elective office.

20       (~~(40)~~) (43) "Public record" has the definition in RCW  
21 42.56.010.

22       (~~(41)~~) (44) "Recall campaign" means the period of time  
23 beginning on the date of the filing of recall charges under RCW  
24 29A.56.120 and ending thirty days after the recall election.

25       (~~(42)~~) (45) "Remedial violation" means any violation of this  
26 chapter that:

27       (a) Involved expenditures totaling no more than the contribution  
28 limits set out under RCW 42.17A.405(2) per election, or one thousand  
29 dollars if there is no statutory limit;

30       (b) Occurred:

31       (i) More than thirty days before an election, where the  
32 commission entered into an agreement to resolve the matter; or

33       (ii) At any time where the violation did not constitute a  
34 material violation because it was inadvertent and minor or otherwise  
35 has been cured and, after consideration of all the circumstances,  
36 further proceedings would not serve the purposes of this chapter;

37       (c) Does not materially affect the public interest, beyond the  
38 harm to the policy of this chapter inherent in any violation; and

39       (d) Involved:

40       (i) A person who:

1 (A) Took corrective action within five business days after the  
2 commission first notified the person of noncompliance, or where the  
3 commission did not provide notice and filed a required report within  
4 twenty-one days after the report was due to be filed; and

5 (B) Substantially met the filing deadline for all other required  
6 reports within the immediately preceding twelve-month period; or

7 (ii) A candidate who:

8 (A) Lost the election in question; and

9 (B) Did not receive contributions over one hundred times the  
10 contribution limit in aggregate per election during the campaign in  
11 question.

12 (46)(a) "Sponsor" for purposes of an electioneering  
13 communications, independent expenditures, or political advertising  
14 means the person paying for the electioneering communication,  
15 independent expenditure, or political advertising. If a person acts  
16 as an agent for another or is reimbursed by another for the payment,  
17 the original source of the payment is the sponsor.

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

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

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

27 ~~((43))~~ (47) "Sponsored committee" means a committee, other than  
28 an authorized committee, that has one or more sponsors.

29 ~~((44))~~ (48) "State office" means state legislative office or  
30 the office of governor, lieutenant governor, secretary of state,  
31 attorney general, commissioner of public lands, insurance  
32 commissioner, superintendent of public instruction, state auditor, or  
33 state treasurer.

34 ~~((45))~~ (49) "State official" means a person who holds a state  
35 office.

36 ~~((46))~~ (50) "Surplus funds" mean, in the case of a political  
37 committee or candidate, the balance of contributions that remain in  
38 the possession or control of that committee or candidate subsequent  
39 to the election for which the contributions were received, and that  
40 are in excess of the amount necessary to pay remaining debts incurred

1 by the committee or candidate with respect to that election. In the  
2 case of a continuing political committee, "surplus funds" mean those  
3 contributions remaining in the possession or control of the committee  
4 that are in excess of the amount necessary to pay all remaining debts  
5 when it makes its final report under RCW 42.17A.255.

6 ~~((47))~~ (51) "Technical correction" means a minor or ministerial  
7 error in a required report that does not materially impact the public  
8 interest and needs to be corrected for the report to be in full  
9 compliance with the requirements of this chapter.

10 (52) "Treasurer" and "deputy treasurer" mean the individuals  
11 appointed by a candidate or political committee, pursuant to RCW  
12 42.17A.210, to perform the duties specified in that section.

13 **Sec. 3.** RCW 42.17A.055 and 2013 c 166 s 2 are each amended to  
14 read as follows:

15 (1) The commission shall make available to candidates, public  
16 officials, and political committees that are required to file reports  
17 under this chapter an electronic filing alternative for submitting  
18 financial affairs reports, contribution reports, and expenditure  
19 reports.

20 (2) The commission shall make available to lobbyists and  
21 lobbyists' employers required to file reports under RCW 42.17A.600,  
22 42.17A.615, 42.17A.625, or 42.17A.630 an electronic filing  
23 alternative for submitting these reports.

24 (3) State agencies required to report under RCW 42.17A.635 must  
25 file all reports electronically.

26 (4) The commission shall make available to candidates, public  
27 officials, political committees, lobbyists, and lobbyists' employers  
28 an electronic copy of the appropriate reporting forms at no charge.

29 (5) If the electronic filing system provided by the commission is  
30 inoperable for any period of time, the commission must keep a record  
31 of the date and time of each instance and post outages on its web  
32 site. If a report is due on a day the electronic filing system is  
33 inoperable, it is not late if filed the first business day the system  
34 is back in operation. The commission must provide notice to all  
35 reporting entities when the system is back in operation.

36 (6) All persons required to file reports under this chapter  
37 shall, at the time of initial filing, provide the commission an email  
38 address that shall constitute the official address for purposes of  
39 all communications from the commission. The person required to file

1 one or more reports must provide any new email address to the  
2 commission within ten days, if the address has changed from that  
3 listed on the most recent report. The executive director may waive  
4 the email requirement and allow use of a postal address, on the basis  
5 of hardship.

6 (7) The commission must publish a calendar of significant  
7 reporting dates on its web site.

8 **Sec. 4.** RCW 42.17A.110 and 2015 c 225 s 55 are each amended to  
9 read as follows:

10 The commission may:

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

18 (2) Appoint an executive director and set, within the limits  
19 established by the office of financial management under RCW  
20 43.03.028, the executive director's compensation. The executive  
21 director shall perform such duties and have such powers as the  
22 commission may prescribe and delegate to implement and enforce this  
23 chapter efficiently and effectively. The commission shall not  
24 delegate its authority to adopt, amend, or rescind rules nor may it  
25 delegate authority to determine (~~whether~~) that an actual violation  
26 of this chapter has occurred or to assess penalties for such  
27 violations;

28 (3) Prepare and publish reports and technical studies as in its  
29 judgment will tend to promote the purposes of this chapter, including  
30 reports and statistics concerning campaign financing, lobbying,  
31 financial interests of elected officials, and enforcement of this  
32 chapter;

33 (4) Conduct, as it deems appropriate, audits and field  
34 investigations;

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

38 (6) Administer oaths and affirmations, issue subpoenas, and  
39 compel attendance, take evidence, and require the production of any

1 records relevant to any investigation authorized under this chapter,  
2 or any other proceeding under this chapter;

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

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

9 ~~(9) ((Adopt rules prescribing reasonable requirements for keeping  
10 accounts of, and reporting on a quarterly basis, costs incurred by  
11 state agencies, counties, cities, and other municipalities and  
12 political subdivisions in preparing, publishing, and distributing  
13 legislative information. For the purposes of this subsection,  
14 "legislative information" means books, pamphlets, reports, and other  
15 materials prepared, published, or distributed at substantial cost, a  
16 substantial purpose of which is to influence the passage or defeat of  
17 any legislation. The state auditor in his or her regular examination  
18 of each agency under chapter 43.09 RCW shall review the rules,  
19 accounts, and reports and make appropriate findings, comments, and  
20 recommendations concerning those agencies; and~~

21 ~~(+10))~~ Develop and provide to filers a system for certification  
22 of reports required under this chapter which are transmitted by  
23 facsimile or electronically to the commission. Implementation of the  
24 program is contingent on the availability of funds.

25 **Sec. 5.** RCW 42.17A.220 and 2010 c 205 s 3 and 2010 c 204 s 405  
26 are each reenacted and amended to read as follows:

27 (1) All monetary contributions received by a candidate or  
28 political committee shall be deposited by ~~((the treasurer or deputy  
29 treasurer))~~ candidates, political committee members, paid staff, or  
30 treasurers in a depository in an account established and designated  
31 for that purpose. Such deposits shall be made within five business  
32 days of receipt of the contribution. For online or credit card  
33 contributions, the contribution is considered received at the time  
34 the transfer is made from the merchant account to a candidate or  
35 political committee account, except that a contribution made to a  
36 candidate who is a state official or legislator outside the  
37 restriction period established in RCW 42.17A.560, but transferred to  
38 the candidate's account within the restricted period, is considered  
39 received outside of the restriction period.

1 (2) Political committees that support or oppose more than one  
2 candidate or ballot proposition, or exist for more than one purpose,  
3 may maintain multiple separate bank accounts within the same  
4 designated depository for such purpose only if:

5 (a) Each such account bears the same name;

6 (b) Each such account is followed by an appropriate designation  
7 that accurately identifies its separate purpose; and

8 (c) Transfers of funds that must be reported under RCW  
9 (~~(42.17A.240(1)(e))~~) 42.17A.240(5) are not made from more than one  
10 such account.

11 (3) Nothing in this section prohibits a candidate or political  
12 committee from investing funds on hand in a depository in bonds,  
13 certificates, or tax-exempt securities, or in savings accounts or  
14 other similar instruments in financial institutions, or in mutual  
15 funds other than the depository but only if:

16 (a) The commission (~~(are—[is])~~) is notified in writing of the  
17 initiation and the termination of the investment; and

18 (b) The principal of such investment, when terminated together  
19 with all interest, dividends, and income derived from the investment,  
20 is deposited in the depository in the account from which the  
21 investment was made and properly reported to the commission before  
22 any further disposition or expenditure.

23 (4) Accumulated unidentified contributions, other than those made  
24 by persons whose names must be maintained on a separate and private  
25 list by a political committee's treasurer pursuant to RCW  
26 (~~(42.17A.240(1)(b))~~) 42.17A.240(2), in excess of one percent of the  
27 total accumulated contributions received in the current calendar  
28 year, or three hundred dollars, whichever is more, may not be  
29 deposited, used, or expended, but shall be returned to the donor if  
30 his or her identity can be ascertained. If the donor cannot be  
31 ascertained, the contribution shall escheat to the state and shall be  
32 paid to the state treasurer for deposit in the state general fund.

33 **Sec. 6.** RCW 42.17A.225 and 2011 c 60 s 22 are each amended to  
34 read as follows:

35 (1) In addition to the provisions of this section, a continuing  
36 political committee shall file and report on the same conditions and  
37 at the same times as any other committee in accordance with the  
38 provisions of RCW 42.17A.205, 42.17A.210, and 42.17A.220.

1 (2) A continuing political committee shall file with the  
2 commission a report on the tenth day of each month detailing  
3 expenditures made and contributions received for the preceding  
4 calendar month. This report need only be filed if either the total  
5 contributions received or total expenditures made since the last such  
6 report exceed two hundred dollars. The report shall be on a form  
7 supplied by the commission and shall include the following  
8 information:

9 (a) The information required by RCW 42.17A.240;

10 (b) Each expenditure made to retire previously accumulated debts  
11 of the committee identified by recipient, amount, and date of  
12 payments;

13 (c) Other information the commission shall prescribe by rule.

14 (3) If a continuing political committee makes a contribution in  
15 support of or in opposition to a candidate or ballot proposition  
16 within sixty days before the date that the candidate or ballot  
17 proposition will be voted upon, the committee shall report pursuant  
18 to RCW 42.17A.235.

19 (4)(a) A continuing political committee shall file reports as  
20 required by this chapter until ~~((it is dissolved))~~ the committee has  
21 ceased to function and intends to dissolve, at which time, when there  
22 is no outstanding debt or obligation and the committee is concluded  
23 in all respects, a final report shall be filed. Upon submitting a  
24 final report, the continuing political committee must file notice of  
25 intent to dissolve with the commission and the commission must post  
26 the notice on its web site.

27 (b) The continuing political committee may dissolve sixty days  
28 after it files its notice to dissolve, only if:

29 (i) The continuing political committee does not make any  
30 expenditures other than those related to the dissolution process or  
31 engage in any political activity or any other activities that  
32 generate additional reporting requirements under this chapter after  
33 filing such notice;

34 (ii) No complaint or court action, pursuant to this chapter, is  
35 pending against the continuing political committee; and

36 (iii) All penalties assessed by the commission or court order are  
37 paid by the continuing political committee.

38 (c) The continuing political committee must continue to report  
39 regularly as required under this chapter until all the conditions  
40 under (b) of this subsection are resolved.

1 (d) The treasurer may not close the continuing political  
2 committee's bank account before the political committee has  
3 dissolved.

4 (e) Upon dissolution, the commission must issue an acknowledgment  
5 of dissolution, the duties of the treasurer shall cease, and there  
6 shall be no further obligations ((to make any further reports)) under  
7 this chapter. Dissolution does not absolve the candidate or board of  
8 the committee from responsibility for any future obligations  
9 resulting from the finding after dissolution of a violation committed  
10 prior to dissolution.

11 (5) The treasurer shall maintain books of account, current within  
12 five business days, that accurately reflect all contributions and  
13 expenditures. During the ((eight)) ten calendar days immediately  
14 preceding the date of any election that the committee has received  
15 any contributions or made any expenditures, the books of account  
16 shall be kept current within one business day and shall be open for  
17 public inspection in the same manner as provided for candidates and  
18 other political committees in RCW 42.17A.235((+4)) (6).

19 (6) All reports filed pursuant to this section shall be certified  
20 as correct by the treasurer.

21 (7) The treasurer shall preserve books of account, bills,  
22 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 **Sec. 7.** RCW 42.17A.235 and 2015 c 54 s 1 are each amended to  
26 read as follows:

27 (1) In addition to the information required under RCW 42.17A.205  
28 and 42.17A.210, ((on the day the treasurer is designated,)) each  
29 candidate or political committee must file with the commission a  
30 report of all contributions received and expenditures made ((prior to  
31 that date, if any)) as a political committee on the next reporting  
32 date pursuant to the timeline established in this section.

33 (2) Each treasurer shall file with the commission a report, for  
34 each election in which a candidate or political committee is  
35 participating, containing the information required by RCW 42.17A.240  
36 at the following intervals:

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

1 (b) On the tenth day of the first full month after the  
2 election(~~(; and)~~).

3 ~~((c))~~ (3) Each treasurer shall file with the commission a  
4 report on the tenth day of each month ((in)) during which ((no other  
5 reports are required to be filed under this section)) the candidate  
6 or political committee is not participating in an election campaign,  
7 only if the committee has received a contribution or made an  
8 expenditure in the preceding calendar month and either the total  
9 contributions received or total expenditures made since the last such  
10 report exceed two hundred dollars.

11 (4) The report filed twenty-one days before the election shall  
12 report all contributions received and expenditures made as of the end  
13 of one business day before the date of the report. The report filed  
14 seven days before the election shall report all contributions  
15 received and expenditures made as of the end of one business day  
16 before the date of the report. Reports filed on the tenth day of the  
17 month shall report all contributions received and expenditures made  
18 from the closing date of the last report filed through the last day  
19 of the month preceding the date of the current report.

20 ~~((3))~~ (5) For the period beginning the first day of the fourth  
21 month preceding the date of the special election, or for the period  
22 beginning the first day of the fifth month before the date of the  
23 general election, and ending on the date of that special or general  
24 election, each Monday the treasurer shall file with the commission a  
25 report of each bank deposit made during the previous seven calendar  
26 days. The report shall contain the name of each person contributing  
27 the funds and the amount contributed by each person. However, persons  
28 who contribute no more than twenty-five dollars in the aggregate are  
29 not required to be identified in the report. A copy of the report  
30 shall be retained by the treasurer for his or her records. In the  
31 event of deposits made by ~~((a deputy treasurer))~~ candidates,  
32 political committee members, or paid staff other than the treasurer,  
33 the copy shall be ~~((forwarded))~~ immediately provided to the treasurer  
34 for his or her records. Each report shall be certified as correct by  
35 the treasurer ~~((or deputy treasurer making the deposit)).~~

36 ~~((4))~~ (6)(a) The treasurer or candidate shall maintain books of  
37 account accurately reflecting all contributions and expenditures on a  
38 current basis within five business days of receipt or expenditure.  
39 During the ~~((eight))~~ ten calendar days immediately preceding the date  
40 of the election the books of account shall be kept current within one

1 business day. As specified in the committee's statement of  
2 organization filed under RCW 42.17A.205, the books of account must be  
3 open for public inspection by appointment at ~~((the designated))~~ a  
4 place agreed upon by both the treasurer and the requestor, for  
5 inspections between ~~((8:00))~~ 9:00 a.m. and ~~((8:00))~~ 5:00 p.m. on any  
6 day from the ~~((eighth))~~ tenth calendar day immediately before the  
7 election through the day immediately before the election, other than  
8 Saturday, Sunday, or a legal holiday. It is a violation of this  
9 chapter for a candidate or political committee to refuse to allow and  
10 keep an appointment for an inspection to be conducted during these  
11 authorized times and days. The appointment must be allowed at an  
12 authorized time and day for such inspections that is within ~~((twenty-~~  
13 ~~four))~~ forty-eight hours of the time and day that is requested for  
14 the inspection. The treasurer may provide digital access or copies of  
15 the books of account in lieu of scheduling an appointment at a  
16 designated place for inspection.

17 (b) At the time of making the appointment, a person wishing to  
18 inspect the books of account must provide the treasurer the name and  
19 telephone number of the person wishing to inspect the books of  
20 account. The person inspecting the books of account must show photo  
21 identification before the inspection begins.

22 (c) A treasurer may refuse to show the books of account to any  
23 person who does not make an appointment or provide the required  
24 identification. The commission may issue limited rules to modify the  
25 requirements set forth in this section in consideration of other  
26 technology and best practices.

27 ~~((+5))~~ (7) Copies of all reports filed pursuant to this section  
28 shall be readily available for public inspection by appointment,  
29 pursuant to subsection ~~((+4))~~ (6) of this section ~~((, at the~~  
30 ~~principal headquarters or, if there is no headquarters, at the~~  
31 ~~address of the treasurer or such other place as may be authorized by~~  
32 ~~the commission))~~.

33 ~~((+6))~~ (8) The treasurer or candidate shall preserve books of  
34 account, bills, receipts, and all other financial records of the  
35 campaign or political committee for not less than ~~((five))~~ two  
36 calendar years following the year during which the transaction  
37 occurred or for any longer period as otherwise required by law.

38 ~~((+7))~~ (9) All reports filed pursuant to subsection (1) or (2)  
39 of this section shall be certified as correct by the candidate and  
40 the treasurer.

1       ~~((8))~~ (10) It is not a violation of this section to submit an  
2 amended report within twenty-one days of filing an underlying report  
3 if:

4       (a) The report is accurately amended;

5       (b) The corrected report is filed more than thirty days before an  
6 election;

7       (c) The total aggregate dollar amount of the adjustment for the  
8 individual report is within three times the contribution limit per  
9 election or two hundred dollars, whichever is greater; and

10       (d) The committee reported all information that was available to  
11 it at the time of filing, or made a good-faith effort to do so, or if  
12 a refund of a contribution or expenditure is being reported.

13       (11)(a) When there is no outstanding debt or obligation, the  
14 campaign fund is closed, ~~((and))~~ the campaign is concluded in all  
15 respects ~~((or in the case of a political committee)), and~~ the  
16 committee has ceased to function and ~~((has dissolved))~~ intends to  
17 dissolve, the treasurer shall file a final report. Upon submitting a  
18 final report, the committee must file notice of intent to dissolve  
19 with the commission and the commission must post the notice on its  
20 web site.

21       (b) Any committee may dissolve sixty days after it files its  
22 notice to dissolve, only if:

23       (i) The political committee does not make any expenditures other  
24 than those related to the dissolution process or engage in any  
25 political activity or any other activities that generate additional  
26 reporting requirements under this chapter after filing such notice;

27       (ii) No complaint or court action under this chapter is pending  
28 against the political committee; and

29       (iii) All penalties assessed by the commission or court order are  
30 paid by the political committee.

31       (c) The political committee must continue to report regularly as  
32 required under this chapter until all the conditions under (b) of  
33 this subsection are resolved.

34       (d) The treasurer may not close the political committee's bank  
35 account before the political committee has dissolved.

36       (e) Upon dissolution, the commission must issue an acknowledgment  
37 of dissolution, the duties of the treasurer shall cease, and there  
38 ~~((is))~~ shall be no further obligations ~~((to make any further~~  
39 reports)) under this chapter. Dissolution does not absolve the  
40 candidate or board of the committee from responsibility for any

1 future obligations resulting from the finding after dissolution of a  
2 violation committed prior to dissolution.

3 **Sec. 8.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to  
4 read as follows:

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

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

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

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

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

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

27 ~~((d))~~ (c) The money value of contributions of postage shall be  
28 the face value of the postage;

29 (3) Each loan, promissory note, or security instrument to be used  
30 by or for the benefit of the candidate or political committee made by  
31 any person, including the names and addresses of the lender and each  
32 person liable directly, indirectly or contingently and the date and  
33 amount of each such loan, promissory note, or security instrument;

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

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

38 (6) The name and address of each person to whom an expenditure  
39 was made in the aggregate amount of more than fifty dollars during

1 the period covered by this report, the amount, date, and purpose of  
2 each expenditure, and the total sum of all expenditures;

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

9 (8)(a) The name and address of any person and the amount owed for  
10 any debt (~~(, obligation, note, unpaid loan, or other liability in the~~  
11 ~~amount)) with a value of more than (~~(two))~~ seven hundred fifty  
12 dollars (~~(or in the amount of more than fifty dollars that has been~~  
13 ~~outstanding for over thirty days)) that has not been paid for any  
14 invoices submitted, goods received, or services performed, within  
15 five business days during the period within thirty days before an  
16 election, or within ten business days during any other period.~~~~

17 (b) For purposes of this subsection, debt does not include:

18 (i) Regularly recurring expenditures of the same amount that have  
19 already been reported at least once and that are not late or  
20 outstanding; or

21 (ii) Any obligations already reported to pay for goods and  
22 services made by a third party on behalf of a candidate or political  
23 committee after the original payment or debt to that party has been  
24 reported;

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. 9. RCW 42.17A.255 and 2011 c 60 s 24 are each amended to**  
31 **read as follows:**

32 ~~(1) ((For the purposes of this section the term "independent~~  
33 ~~expenditure" means any expenditure that is made in support of or in~~  
34 ~~opposition to any candidate or ballot proposition and is not~~  
35 ~~otherwise required to be reported pursuant to RCW 42.17A.220,~~  
36 ~~42.17A.235, and 42.17A.240. "Independent expenditure" does not~~  
37 ~~include: An internal political communication primarily limited to the~~  
38 ~~contributors to a political party organization or political action~~  
39 ~~committee, or the officers, management staff, and stockholders of a~~

1 ~~corporation or similar enterprise, or the members of a labor~~  
2 ~~organization or other membership organization; or the rendering of~~  
3 ~~personal services of the sort commonly performed by volunteer~~  
4 ~~campaign workers, or incidental expenses personally incurred by~~  
5 ~~volunteer campaign workers not in excess of fifty dollars personally~~  
6 ~~paid for by the worker. "Volunteer services," for the purposes of~~  
7 ~~this section, means services or labor for which the individual is not~~  
8 ~~compensated by any person.~~

9 (2)) Within five days after the date of making an independent  
10 expenditure that by itself or when added to all other such  
11 independent expenditures made during the same election campaign by  
12 the same person equals ((one hundred dollars or more)) the  
13 contribution limit from an individual per election found in RCW  
14 42.17A.405 for that office, or within five days after the date of  
15 making an independent expenditure for which no reasonable estimate of  
16 monetary value is practicable, whichever occurs first, the person who  
17 made the independent expenditure shall file with the commission an  
18 initial report of all independent expenditures made during the  
19 campaign prior to and including such date. For purposes of this  
20 section, in addition to the meaning of "independent expenditure"  
21 under RCW 42.17A.005, any expenditure in excess of one-half the  
22 contribution limit per election for a local measure or in excess of  
23 the contribution limit per election for a statewide measure in  
24 support of or opposition to a ballot measure, must be reported as an  
25 in-kind contribution to a political committee associated with support  
26 or opposition to that ballot measure or, in the event no such  
27 committee exists, reported as an independent expenditure.

28 ((3)) (2) At the following intervals each person who is  
29 required to file an initial report pursuant to subsection ((2)) (1)  
30 of this section shall file with the commission a further report of  
31 the independent expenditures made since the date of the last report:

32 (a) On the twenty-first day and the seventh day preceding the  
33 date on which the election is held; and

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

35 (c) On the tenth day of each month in which no other reports are  
36 required to be filed pursuant to this section. However, the further  
37 reports required by this subsection ((3)) (2) shall only be filed  
38 if the reporting person has made an independent expenditure since the  
39 date of the last previous report filed.

1       (~~The report filed pursuant to paragraph (a) of this subsection~~  
2 ~~(3) shall be the final report, and upon submitting such final report~~  
3 ~~the duties of the reporting person shall cease, and~~) If the  
4 reporting person has not made any independent expenditures since the  
5 date of the last report on file, there shall be no obligation to make  
6 any further reports.

7       (~~(4)~~) (3) All reports filed pursuant to this section shall be  
8 certified as correct by the reporting person.

9       (~~(5)~~) (4) Each report required by subsections (~~(2)~~) (1) and  
10 (~~(3)~~) (2) of this section shall disclose for the period beginning  
11 at the end of the period for the last previous report filed or, in  
12 the case of an initial report, beginning at the time of the first  
13 independent expenditure, and ending not more than one business day  
14 before the date the report is due:

15       (a) The name and address of the person filing the report;

16       (b) The name and address of each person to whom an independent  
17 expenditure was made in the aggregate amount of more than fifty  
18 dollars, and the amount, date, and purpose of each such expenditure.  
19 If no reasonable estimate of the monetary value of a particular  
20 independent expenditure is practicable, it is sufficient to report  
21 instead a precise description of services, property, or rights  
22 furnished through the expenditure and where appropriate to attach a  
23 copy of the item produced or distributed by the expenditure;

24       (c) The total sum of all independent expenditures made during the  
25 campaign to date; and

26       (d) Such other information as shall be required by the commission  
27 by rule in conformance with the policies and purposes of this  
28 chapter.

\*Sec. 9 was vetoed. See message at end of chapter.

29       \*Sec. 10. RCW 42.17A.265 and 2010 c 204 s 414 are each amended  
30 to read as follows:

31       (1) Treasurers shall prepare and deliver to the commission a  
32 special report when a contribution or aggregate of contributions  
33 (~~(totals one thousand dollars or more, is)~~) exceeds three times the  
34 contribution limit per election from a single person or entity, and  
35 is received during a special reporting period.

36       (2) A political committee treasurer shall prepare and deliver to  
37 the commission a special report when (~~it~~) the political committee  
38 makes a contribution or an aggregate of contributions to a single

1 entity that (~~totals one thousand dollars or more~~) exceeds three  
2 times the contribution limit from an individual per election during a  
3 special reporting period.

4 (3) An aggregate of contributions includes only those  
5 contributions made to or received from a single entity during any one  
6 special reporting period. Any subsequent contribution of any size  
7 made to or received from the same person or entity during the special  
8 reporting period must also be reported.

9 (4) Special reporting periods, for purposes of this section,  
10 include:

11 (a) The period beginning on the day after the last report  
12 required by RCW 42.17A.235 and 42.17A.240 to be filed before a  
13 primary and concluding on the end of the day before that primary;

14 (b) The period twenty-one days preceding a general election; and

15 (c) An aggregate of contributions includes only those  
16 contributions received from a single entity during any one special  
17 reporting period or made by the contributing political committee to a  
18 single entity during any one special reporting period.

19 (5) If a campaign treasurer files a special report under this  
20 section for one or more contributions received from a single entity  
21 during a special reporting period, the treasurer shall also file a  
22 special report under this section for each subsequent contribution of  
23 any size which is received from that entity during the special  
24 reporting period. If a political committee files a special report  
25 under this section for a contribution or contributions made to a  
26 single entity during a special reporting period, the political  
27 committee shall also file a special report for each subsequent  
28 contribution of any size which is made to that entity during the  
29 special reporting period.

30 (6) Special reports required by this section shall be delivered  
31 electronically or in written form(~~, including but not limited to~~  
32 ~~mailgram, telegram, or nightletter~~). The special report may be  
33 transmitted orally by telephone to the commission if the written form  
34 of the report is postmarked and mailed to the commission or the  
35 electronic filing is transferred to the commission within the  
36 delivery periods established in (a) and (b) of this subsection.

37 (a) The special report required of a contribution recipient under  
38 subsection (1) of this section shall be delivered to the commission  
39 within forty-eight hours of the time, or on the first working day  
40 after: The qualifying contribution (~~of one thousand dollars or~~

1 ~~more~~) amount is received by the candidate or treasurer; the  
2 aggregate received by the candidate or treasurer first equals (~~one~~  
3 ~~thousand dollars~~) the qualifying amount or more; or any subsequent  
4 contribution from the same source is received by the candidate or  
5 treasurer.

6 (b) The special report required of a contributor under subsection  
7 (2) of this section or RCW 42.17A.625 shall be delivered to the  
8 commission, and the candidate or political committee to whom the  
9 contribution or contributions are made, within twenty-four hours of  
10 the time, or on the first working day after: The contribution is  
11 made; the aggregate of contributions made first equals (~~one thousand~~  
12 ~~dollars~~) the qualifying amount or more; or any subsequent  
13 contribution to the same person or entity is made.

14 (7) The special report shall include:

15 (a) The amount of the contribution or contributions;

16 (b) The date or dates of receipt;

17 (c) The name and address of the donor;

18 (d) The name and address of the recipient; and

19 (e) Any other information the commission may by rule require.

20 (8) Contributions reported under this section shall also be  
21 reported as required by other provisions of this chapter.

22 (9) The commission shall (~~prepare daily a summary of~~) make the  
23 special reports made under this section and RCW 42.17A.625 available  
24 on its web site within one business day.

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

*\*Sec. 10 was vetoed. See message at end of chapter.*

29 **Sec. 11.** RCW 42.17A.450 and 1993 c 2 s 5 are each amended to  
30 read as follows:

31 (1) Contributions by (~~a husband and wife~~) spouses are  
32 considered separate contributions.

33 (2) Contributions by unemancipated children under eighteen years  
34 of age are considered contributions by their parents and are  
35 attributed proportionately to each parent. Fifty percent of the  
36 contributions are attributed to each parent or, in the case of a  
37 single custodial parent, the total amount is attributed to the  
38 parent.

1       **Sec. 12.** RCW 42.17A.750 and 2013 c 166 s 1 are each amended to  
2 read as follows:

3       (1) In addition to the penalties in subsection (2) of this  
4 section, and any other remedies provided by law, one or more of the  
5 following civil remedies and sanctions may be imposed by court order  
6 in addition to any other remedies provided by law:

7       (a) If the court finds that the violation of any provision of  
8 this chapter by any candidate or political committee probably  
9 affected the outcome of any election, the result of that election may  
10 be held void and a special election held within sixty days of the  
11 finding. Any action to void an election shall be commenced within one  
12 year of the date of the election in question. It is intended that  
13 this remedy be imposed freely in all appropriate cases to protect the  
14 right of the electorate to an informed and knowledgeable vote.

15       (b) If any lobbyist or sponsor of any grass roots lobbying  
16 campaign violates any of the provisions of this chapter, his or her  
17 registration may be revoked or suspended and he or she may be  
18 enjoined from receiving compensation or making expenditures for  
19 lobbying. The imposition of a sanction shall not excuse the lobbyist  
20 from filing statements and reports required by this chapter.

21       (c) A person who violates any of the provisions of this chapter  
22 may be subject to a civil penalty of not more than ten thousand  
23 dollars for each violation. However, a person or entity who violates  
24 RCW 42.17A.405 may be subject to a civil penalty of ten thousand  
25 dollars or three times the amount of the contribution illegally made  
26 or accepted, whichever is greater.

27       (d) When assessing a civil penalty, the court may consider the  
28 nature of the violation and any relevant circumstances, including the  
29 following factors:

30       (i) The respondent's compliance history, including whether the  
31 noncompliance was isolated or limited in nature, indicative of  
32 systematic or ongoing problems, or part of a pattern of violations by  
33 the respondent, resulted from a knowing or intentional effort to  
34 conceal, deceive or mislead, or from collusive behavior, or in the  
35 case of a political committee or other entity, part of a pattern of  
36 violations by the respondent's officers, staff, principal decision  
37 makers, consultants, or sponsoring organization;

38       (ii) The impact on the public, including whether the  
39 noncompliance deprived the public of timely or accurate information

1 during a time-sensitive period or otherwise had a significant or  
2 material impact on the public;

3 (iii) Experience with campaign finance law and procedures or the  
4 financing, staffing, or size of the respondent's campaign or  
5 organization;

6 (iv) The amount of financial activity by the respondent during  
7 the statement period or election cycle;

8 (v) Whether the late or unreported activity was within three  
9 times the contribution limit per election, including in proportion to  
10 the total amount of expenditures by the respondent in the campaign or  
11 statement period;

12 (vi) Whether the respondent or any person benefited politically  
13 or economically from the noncompliance;

14 (vii) Whether there was a personal emergency or illness of the  
15 respondent or member of his or her immediate family;

16 (viii) Whether other emergencies such as fire, flood, or utility  
17 failure prevented filing;

18 (ix) Whether there was commission staff or equipment error,  
19 including technical problems at the commission that prevented or  
20 delayed electronic filing;

21 (x) The respondent's demonstrated good-faith uncertainty  
22 concerning commission staff guidance or instructions;

23 (xi) Whether the respondent is a first-time filer;

24 (xii) Good faith efforts to comply, including consultation with  
25 commission staff prior to initiation of enforcement action and  
26 cooperation with commission staff during enforcement action and a  
27 demonstrated wish to acknowledge and take responsibility for the  
28 violation;

29 (xiii) Penalties imposed in factually similar cases; and

30 (xiv) Other factors relevant to the particular case.

31 (e) A person who fails to file a properly completed statement or  
32 report within the time required by this chapter may be subject to a  
33 civil penalty of ten dollars per day for each day each delinquency  
34 continues.

35 ((+e)) (f) Each state agency director who knowingly fails to  
36 file statements required by RCW 42.17A.635 shall be subject to  
37 personal liability in the form of a civil penalty in the amount of  
38 one hundred dollars per statement. These penalties are in addition to  
39 any other civil remedies or sanctions imposed on the agency.

1       ~~((f))~~ (g) A person who fails to report a contribution or  
2 expenditure as required by this chapter may be subject to a civil  
3 penalty equivalent to the amount not reported as required.

4       ~~((g))~~ (h) Any state agency official, officer, or employee who  
5 is responsible for or knowingly directs or expends public funds in  
6 violation of RCW 42.17A.635 (2) or (3) may be subject to personal  
7 liability in the form of a civil penalty in an amount that is at  
8 least equivalent to the amount of public funds expended in the  
9 violation.

10       ~~((h))~~ (i) The court may enjoin any person to prevent the doing  
11 of any act herein prohibited, or to compel the performance of any act  
12 required herein.

13       (2) The commission may refer the following violations for  
14 criminal prosecution:

15       (a) A person who, with actual malice, violates a provision of  
16 this chapter is guilty of a misdemeanor under chapter 9.92 RCW;

17       (b) A person who, within a five-year period, with actual malice,  
18 violates three or more provisions of this chapter is guilty of a  
19 gross misdemeanor under chapter 9.92 RCW; and

20       (c) A person who, with actual malice, procures or offers any  
21 false or forged document to be filed, registered, or recorded with  
22 the commission under this chapter is guilty of a class C felony under  
23 chapter 9.94A RCW.

24       **Sec. 13.** RCW 42.17A.755 and 2011 c 145 s 7 are each amended to  
25 read as follows:

26       (1) The commission may ~~((a) determine whether an actual  
27 violation of this chapter has occurred; and (b) issue and enforce an  
28 appropriate order following such a determination.))~~ initiate or  
29 respond to a complaint, request a technical correction, or otherwise  
30 resolve matters of compliance with this chapter, in accordance with  
31 this section. If a complaint is filed with or initiated by the  
32 commission, the commission must:

33       (a) Dismiss the complaint or otherwise resolve the matter in  
34 accordance with subsection (2) of this section, as appropriate under  
35 the circumstances after conducting a preliminary review;

36       (b) Initiate an investigation to determine whether an actual  
37 violation has occurred, conduct hearings, and issue and enforce an  
38 appropriate order, in accordance with chapter 34.05 RCW and  
39 subsection (3) of this section; or

1 (c) Refer the matter to the attorney general, in accordance with  
2 subsection (4) of this section.

3 (2) (~~The commission~~) (a) For complaints of remedial violations  
4 or requests for technical corrections, the commission may, by rule,  
5 delegate authority to its executive director to resolve these matters  
6 in accordance with subsection (1)(a) of this section, provided the  
7 executive director consistently applies such authority.

8 (b) The commission shall, by rule, develop additional processes  
9 by which a respondent may agree by stipulation to any allegations and  
10 pay a penalty subject to a schedule of violations and penalties,  
11 unless waived by the commission as provided for in this section. Any  
12 stipulation must be referred to the commission for review. If  
13 approved or modified by the commission, agreed to by the parties, and  
14 the respondent complies with all requirements set forth in the  
15 stipulation, the matter is then considered resolved and no further  
16 action or review is allowed.

17 (3) If the commission initiates an investigation, an initial  
18 hearing must be held within ninety days of the complaint being filed.  
19 Following an investigation, in cases where it chooses to determine  
20 whether an actual violation has occurred, the commission shall hold a  
21 hearing pursuant to the administrative procedure act, chapter 34.05  
22 RCW(~~, to make a determination~~). Any order that the commission  
23 issues under this section shall be pursuant to such a hearing.

24 (~~(3) In lieu of holding a hearing or issuing an order under this~~  
25 section~~,~~) (a) The person against whom an order is directed under  
26 this section shall be designated as the respondent. The order may  
27 require the respondent to cease and desist from the activity that  
28 constitutes a violation and in addition, or alternatively, may impose  
29 one or more of the remedies provided in RCW 42.17A.750(1) (b) through  
30 (h), or other requirements as the commission determines appropriate  
31 to effectuate the purposes of this chapter.

32 (b) The commission may assess a penalty in an amount not to  
33 exceed ten thousand dollars per violation, unless the parties  
34 stipulate otherwise. Any order that the commission issues under this  
35 section that imposes a financial penalty must be made pursuant to a  
36 hearing, held in accordance with the administrative procedure act,  
37 chapter 34.05 RCW.

38 (c) The commission has the authority to waive a penalty for a  
39 first-time actual violation. A second actual violation of the same  
40 requirement by the same person, regardless if the person or

1 individual committed the actual violation for a different political  
2 committee, shall result in a penalty. Successive actual violations of  
3 the same requirement shall result in successively increased  
4 penalties. The commission may suspend any portion of an assessed  
5 penalty contingent on future compliance with this chapter. The  
6 commission must create a schedule to enhance penalties based on  
7 repeat actual violations by the person.

8 (d) Any order issued by the commission is subject to judicial  
9 review under the administrative procedure act, chapter 34.05 RCW. If  
10 the commission's order is not satisfied and no petition for review is  
11 filed within thirty days, the commission may petition a court of  
12 competent jurisdiction of any county in which a petition for review  
13 could be filed under that jurisdiction, for an order of enforcement.  
14 Proceedings in connection with the commission's petition shall be in  
15 accordance with RCW 42.17A.760.

16 (4) In lieu of holding a hearing or issuing an order under this  
17 section, the commission may refer the matter to the attorney general  
18 ((or other enforcement agency as provided in RCW 42.17A.105))  
19 consistent with this section, when the commission believes:

20 (a) Additional authority is needed to ensure full compliance with  
21 this chapter;

22 (b) An actual violation potentially warrants a penalty greater  
23 than the commission's penalty authority; or

24 (c) The maximum penalty the commission is able to levy is not  
25 enough to address the severity of the violation.

26 ~~((4) The person against whom an order is directed under this~~  
27 ~~section shall be designated as the respondent. The order may require~~  
28 ~~the respondent to cease and desist from the activity that constitutes~~  
29 ~~a violation and in addition, or alternatively, may impose one or more~~  
30 ~~of the remedies provided in RCW 42.17A.750(1) (b) through (e). The~~  
31 ~~commission may assess a penalty in an amount not to exceed ten~~  
32 ~~thousand dollars.~~

33 ~~(5) The commission has the authority to waive a fine for a first-~~  
34 ~~time violation. A second violation of the same rule by the same~~  
35 ~~person or individual, regardless if the person or individual~~  
36 ~~committed the violation for a different political committee, shall~~  
37 ~~result in a fine. Succeeding violations of the same rule shall result~~  
38 ~~in successively increased fines.~~

39 ~~(6) An order issued by the commission under this section shall be~~  
40 ~~subject to judicial review under the administrative procedure act,~~

1 ~~chapter 34.05 RCW. If the commission's order is not satisfied and no~~  
2 ~~petition for review is filed within thirty days, the commission may~~  
3 ~~petition a court of competent jurisdiction of any county in which a~~  
4 ~~petition for review could be filed under that section, for an order~~  
5 ~~of enforcement. Proceedings in connection with the commission's~~  
6 ~~petition shall be in accordance with RCW 42.17A.760.)~~)

7 **Sec. 14.** RCW 42.17A.765 and 2010 c 204 s 1004 are each amended  
8 to read as follows:

9 (1)(a) Only after a matter is referred by the commission, under  
10 RCW 42.17A.755, the attorney general ((and the prosecuting  
11 authorities of political subdivisions of this state)) may bring civil  
12 actions in the name of the state for any appropriate civil remedy,  
13 including but not limited to the special remedies provided in RCW  
14 42.17A.750. The attorney general must provide notice of his or her  
15 decision whether to commence an action on the attorney general's  
16 office web site within forty-five days of receiving the referral,  
17 which constitutes state action for purposes of this chapter.

18 (b) The attorney general should use the enforcement powers in  
19 this section in a consistent manner that provides guidance in  
20 complying with the provisions of this chapter to candidates,  
21 political committees, or other individuals subject to the regulations  
22 of this chapter.

23 (2) The attorney general ((and the prosecuting authorities of  
24 ~~political subdivisions of this state~~)) may investigate or cause to be  
25 investigated the activities of any person who there is reason to  
26 believe is or has been acting in violation of this chapter, and may  
27 require any such person or any other person reasonably believed to  
28 have information concerning the activities of such person to appear  
29 at a time and place designated in the county in which such person  
30 resides or is found, to give such information under oath and to  
31 produce all accounts, bills, receipts, books, paper and documents  
32 which may be relevant or material to any investigation authorized  
33 under this chapter.

34 (3) When the attorney general ((or the prosecuting authority of  
35 ~~any political subdivision of this state~~)) requires the attendance of  
36 any person to obtain such information or produce the accounts, bills,  
37 receipts, books, papers, and documents that may be relevant or  
38 material to any investigation authorized under this chapter, he or  
39 she shall issue an order setting forth the time when and the place

1 where attendance is required and shall cause the same to be delivered  
2 to or sent by registered mail to the person at least fourteen days  
3 before the date fixed for attendance. The order shall have the same  
4 force and effect as a subpoena, shall be effective statewide, and,  
5 upon application of the attorney general (~~or the prosecuting~~  
6 ~~authority~~), obedience to the order may be enforced by any superior  
7 court judge in the county where the person receiving it resides or is  
8 found, in the same manner as though the order were a subpoena. The  
9 court, after hearing, for good cause, and upon application of any  
10 person aggrieved by the order, shall have the right to alter, amend,  
11 revise, suspend, or postpone all or any part of its provisions. In  
12 any case where the order is not enforced by the court according to  
13 its terms, the reasons for the court's actions shall be clearly  
14 stated in writing, and the action shall be subject to review by the  
15 appellate courts by certiorari or other appropriate proceeding.

16 ~~((4) A person who has notified the attorney general and the~~  
17 ~~prosecuting attorney in the county in which the violation occurred in~~  
18 ~~writing that there is reason to believe that some provision of this~~  
19 ~~chapter is being or has been violated may himself or herself bring in~~  
20 ~~the name of the state any of the actions (hereinafter referred to as~~  
21 ~~a citizen's action) authorized under this chapter.~~

22 ~~(a) This citizen action may be brought only if:~~

23 ~~(i) The attorney general and the prosecuting attorney have failed~~  
24 ~~to commence an action hereunder within forty five days after the~~  
25 ~~notice;~~

26 ~~(ii) The person has thereafter further notified the attorney~~  
27 ~~general and prosecuting attorney that the person will commence a~~  
28 ~~citizen's action within ten days upon their failure to do so;~~

29 ~~(iii) The attorney general and the prosecuting attorney have in~~  
30 ~~fact failed to bring such action within ten days of receipt of said~~  
31 ~~second notice; and~~

32 ~~(iv) The citizen's action is filed within two years after the~~  
33 ~~date when the alleged violation occurred.~~

34 ~~(b) If the person who brings the citizen's action prevails, the~~  
35 ~~judgment awarded shall escheat to the state, but he or she shall be~~  
36 ~~entitled to be reimbursed by the state of Washington for costs and~~  
37 ~~attorneys' fees he or she has incurred. In the case of a citizen's~~  
38 ~~action that is dismissed and that the court also finds was brought~~  
39 ~~without reasonable cause, the court may order the person commencing~~

1 ~~the action to pay all costs of trial and reasonable attorneys' fees~~  
2 ~~incurred by the defendant.~~

3 ~~(5) In any action brought under this section, the court may award~~  
4 ~~to the state all costs of investigation and trial, including~~  
5 ~~reasonable attorneys' fees to be fixed by the court. If the violation~~  
6 ~~is found to have been intentional, the amount of the judgment, which~~  
7 ~~shall for this purpose include the costs, may be trebled as punitive~~  
8 ~~damages. If damages or trebled damages are awarded in such an action~~  
9 ~~brought against a lobbyist, the judgment may be awarded against the~~  
10 ~~lobbyist, and the lobbyist's employer or employers joined as~~  
11 ~~defendants, jointly, severally, or both. If the defendant prevails,~~  
12 ~~he or she shall be awarded all costs of trial, and may be awarded~~  
13 ~~reasonable attorneys' fees to be fixed by the court to be paid by the~~  
14 ~~state of Washington.))~~

15 **Sec. 15.** RCW 42.17A.770 and 2011 c 60 s 26 are each amended to  
16 read as follows:

17 Except as provided in ((~~RCW 42.17A.765(4)(a)(iv)~~)) section 16(4)  
18 of this act, any action brought under the provisions of this chapter  
19 must be commenced within five years after the date when the violation  
20 occurred.

21 NEW SECTION. **Sec. 16.** A new section is added to chapter 42.17A  
22 RCW to read as follows:

23 (1) A person who has reason to believe that a provision of this  
24 chapter is being or has been violated may bring a citizen's action in  
25 the name of the state, in accordance with the procedures of this  
26 section.

27 (2) A citizen's action may be brought and prosecuted only if the  
28 person first has filed a complaint with the commission and:

29 (a) The commission has not taken action authorized under RCW  
30 42.17A.755(1) within ninety days of the complaint being filed with  
31 the commission; and

32 (b) For matters referred to the attorney general within ninety  
33 days of the commission receiving the complaint, the attorney general  
34 has not commenced an action within forty-five days of receiving  
35 referral from the commission.

36 (3) To initiate the citizen's action, after meeting the  
37 requirements under subsection (2) of this section, a person must  
38 notify the attorney general and the commission that he or she will

1 commence a citizen's action within ten days if the commission does  
2 not take action or, if applicable, the attorney general does not  
3 commence an action.

4 (4) The citizen's action must be commenced within two years after  
5 the date when the alleged violation occurred and may not be commenced  
6 against a committee before the end of such period if the committee  
7 has received an acknowledgment of dissolution.

8 (5) If the person who brings the citizen's action prevails, the  
9 judgment awarded shall escheat to the state, but he or she shall be  
10 entitled to be reimbursed by the state for reasonable costs and  
11 reasonable attorneys' fees the person incurred. In the case of a  
12 citizen's action that is dismissed and that the court also finds was  
13 brought without reasonable cause, the court may order the person  
14 commencing the action to pay all trial costs and reasonable  
15 attorneys' fees incurred by the defendant.

16 NEW SECTION. **Sec. 17.** A new section is added to chapter 42.17A  
17 RCW to read as follows:

18 In any action brought under this chapter, the court may award to  
19 the commission all reasonable costs of investigation and trial,  
20 including reasonable attorneys' fees to be fixed by the court. If the  
21 violation is found to have been intentional, the amount of the  
22 judgment, which shall for this purpose include the costs, may be  
23 trebled as punitive damages. If damages or trebled damages are  
24 awarded in such an action brought against a lobbyist, the judgment  
25 may be awarded against the lobbyist, and the lobbyist's employer or  
26 employers joined as defendants, jointly, severally, or both. If the  
27 defendant prevails, he or she shall be awarded all costs of trial and  
28 may be awarded reasonable attorneys' fees to be fixed by the court  
29 and paid by the state of Washington.

30 NEW SECTION. **Sec. 18.** A new section is added to chapter 42.17A  
31 RCW to read as follows:

32 The public disclosure transparency account is created in the  
33 state treasury. All receipts from penalties collected pursuant to  
34 enforcement actions or settlements under this chapter, including any  
35 fees or costs, must be deposited into the account. Moneys in the  
36 account may be spent only after appropriation. Moneys in the account  
37 may be used only for the implementation of this act and duties under

1 this chapter, and may not be used to supplant general fund  
2 appropriations to the commission.

3 NEW SECTION. **Sec. 19.** (1) The sum of one hundred twenty-five  
4 thousand dollars is appropriated for the fiscal year ending June 30,  
5 2018, from the general fund—state account to the public disclosure  
6 commission solely for the purposes of administering chapter 42.17A  
7 RCW.

8 (2) The sum of one hundred twenty-five thousand dollars is  
9 appropriated for the fiscal year ending June 30, 2019, from the  
10 general fund—state account to the public disclosure commission solely  
11 for the purposes of administering chapter 42.17A RCW.

12 NEW SECTION. **Sec. 20.** If any provision of this act or its  
13 application to any person or circumstance is held invalid, the  
14 remainder of the act or the application of the provision to other  
15 persons or circumstances is not affected.

Passed by the House March 3, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 28, 2018, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State March 29, 2018.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 9  
and 10, Engrossed Substitute House Bill No. 2938 entitled:

"AN ACT Relating to campaign finance law enforcement and  
reporting."

Section 9 addresses independent expenditure reporting requirements.  
Due to an inadvertent drafting error, Section 9 does not provide  
clear guidance regarding independent expenditure reporting  
requirements for ballot measures. I understand that the changes in  
this section were intended to eliminate the need to adjust disclosure  
thresholds for inflation in the future, and I appreciate that this  
unintended consequence was brought to my attention by the Attorney  
General and the proponents of the legislation. By vetoing Section 9,  
current law, which does provide adequate guidance regarding  
independent expenditure reporting requirements for ballot measures,  
will remain in place. I look forward to working with the Legislature  
on this issue in the next legislative session. For these reasons, I  
am vetoing Section 9.

Section 10 addresses special reporting requirements for large  
contributions. I understand that the intent of this section was to  
simplify reporting requirements that shine a light on last minute  
large contributions. However, due to an inadvertent drafting error,  
proposed changes in this section could result in delayed reporting of  
some large expenditures made close to election day. Again, I  
appreciate that this drafting error was brought to my attention, and

I understand that stakeholders will continue to work on this issue and propose a solution in the next legislative session. For these reasons, I am vetoing Section 10.

I encourage the Public Disclosure Commission to work closely with the Legislature and the Attorney General's Office (AGO) over the interim to clarify the role of the AGO as it relates to large and significant cases, to adopt rules that allow for expedited referrals to the AGO, and to draft agency-request legislation to be introduced next session that will make necessary improvements to the new statute.

For these reasons I have vetoed Sections 9 and 10 of Engrossed Substitute House Bill No. 2938.

With the exception of Sections 9 and 10, Engrossed Substitute House Bill No. 2938 is approved."

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