CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6152

Chapter 152, Laws of 2020

66th Legislature 2020 Regular Session

ELECTIONS--PARTICIPATION BY ENTITIES WITH FOREIGN NATIONAL OWNERSHIP OR CONTROL

EFFECTIVE DATE: June 11, 2020

Passed by the Senate March 10, 2020 CERTIFICATE Yeas 46 Nays 0 I, Brad Hendrickson, Secretary of the Senate of the State of CYRUS HABIB Washington, do hereby certify that the attached is **SUBSTITUTE SENATE** President of the Senate BILL 6152 as passed by the Senate and the House of Representatives on the dates hereon set forth. Passed by the House March 4, 2020 Yeas 97 Nays 0 BRAD HENDRICKSON Secretary LAURIE JINKINS Speaker of the House of Representatives Approved March 25, 2020 3:39 PM FILED March 26, 2020

Secretary of State

JAY INSLEE
State of Washington

SUBSTITUTE SENATE BILL 6152

AS AMENDED BY THE HOUSE

Passed Legislature - 2020 Regular Session

State of Washington 66th Legislature 2020 Regular Session

By Senate State Government, Tribal Relations & Elections (originally sponsored by Senators Salomon, Billig, Hunt, Nguyen, McCoy, Lovelett, Kuderer, Rolfes, Liias, Van De Wege, Das, and Wilson, C.)

READ FIRST TIME 01/30/20.

- AN ACT Relating to certification concerning the level of foreign national ownership and control of entities that participate in Washington state elections; amending RCW 42.17A.005, 42.17A.240, 42.17A.250, 42.17A.255, 42.17A.260, 42.17A.265, and 42.17A.305; adding new sections to chapter 42.17A RCW; and creating a new section.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. 1. The legislature finds that the First 8 Sec. Amendment rights of freedom of speech and free association, as they 9 10 relate to participating in elections, are core values in the United 11 States. The United States supreme court has repeatedly held that 12 these rights include the right to make campaign contributions in 13 support of candidates and ballot measures at the federal, state, and 14 local levels.
- 15 The legislature also finds, in accordance with federal law, that 16 these rights are reserved solely for citizens of the United States 17 and permanent legal residents, whether they act as individuals or in 18 association. The First Amendment protection for political speech does 19 not apply to foreign nationals, who are forbidden under 52 U.S.C. Sec. 30121 from directly or indirectly making political contributions 20 21 or financing independent expenditures and electioneering

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- 1 communications, either individually or collectively through a corporation or other association. Furthermore, federal law prohibits 2 any person from knowingly soliciting or receiving contributions from 3 a foreign national. Therefore, it falls to individual states to help 4 protect the prohibition on foreign influence in our state and local 5 6 elections by requiring certification that contributions, 7 expenditures, political advertising, and electioneering communications are not financed in any part by foreign nationals and 8 that foreign nationals are not involved in making decisions regarding 9 10 such election activity in any way.
- 11 **Sec. 2.** RCW 42.17A.005 and 2019 c 428 s 3 are each amended to 12 read as follows:
- The definitions in this section apply throughout this chapter 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.

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- (2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasimunicipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.
- (3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.
- (4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.
- (5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.
 - (6) "Bona fide political party" means:

- 1 (a) An organization that has been recognized as a minor political party by the secretary of state;
 - (b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or
 - (c) The county central committee or legislative district committee of a major political party. There may be only one legislative district committee for each party in each legislative district.
 - (7) "Books of account" means:

- (a) In the case of a campaign or political committee, a ledger or similar listing of contributions, expenditures, and debts, such as a campaign or committee is required to file regularly with the commission, current as of the most recent business day; or
- (b) In the case of a commercial advertiser, details of political advertising or electioneering communications provided by the advertiser, including the names and addresses of persons from whom it accepted political advertising or electioneering communications, the exact nature and extent of the services rendered and the total cost and the manner of payment for the services.
- (8) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when the individual first:
- (a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote the individual's candidacy for office;
 - (b) Announces publicly or files for office;
- 29 (c) Purchases commercial advertising space or broadcast time to 30 promote the individual's candidacy; or
 - (d) Gives consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.
 - (9) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.
 - (10) "Commercial advertiser" means any person that sells the service of communicating messages or producing material for broadcast or distribution to the general public or segments of the general public whether through brochures, fliers, newspapers, magazines, television, radio, billboards, direct mail advertising, printing,

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- paid internet or digital communications, or any other means of mass communications used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.
- 5 (11) "Commission" means the agency established under RCW 6 42.17A.100.
 - (12) "Committee" unless the context indicates otherwise, includes a political committee such as a candidate, ballot proposition, recall, political, or continuing political committee.
 - (13) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind. For the purpose of compliance with RCW 42.17A.710, "compensation" does not include per diem allowances or other payments made by a governmental entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.
 - (14) "Continuing political committee" means a political committee that is an organization of continuing existence not limited to participation in any particular election campaign or election cycle.
 - (15) (a) "Contribution" includes:

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- (i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds, or anything of value, including personal and professional services for less than full consideration;
- (ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political or incidental committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;
- (iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, digital, or other form of political advertising or electioneering communication prepared by a candidate, a political or incidental committee, or its authorized agent;
- 36 (iv) Sums paid for tickets to fund-raising events such as dinners 37 and parties, except for the actual cost of the consumables furnished 38 at the event.
 - (b) "Contribution" does not include:

- 1 (i) Accrued interest on money deposited in a political or 2 incidental committee's account;
 - (ii) Ordinary home hospitality;

- (iii) A contribution received by a candidate or political or incidental committee that is returned to the contributor within ten business days of the date on which it is received by the candidate or political or incidental committee;
- (iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of interest to the public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political or incidental committee;
- (v) An internal political communication primarily limited to the members of or contributors to a political party organization or political or incidental committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;
- (vi) The rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this subsection, means services or labor for which the individual is not compensated by any person;
- (vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an in-kind contribution and counts toward any applicable contribution limit of the person providing the facility;

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

- (A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or
- (B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or
- (ix) The performance of ministerial functions by a person on behalf of two or more candidates or political or incidental committees either as volunteer services defined in (b)(vi) of this

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subsection or for payment by the candidate or political or incidental committee for whom the services are performed as long as:

(A) The person performs solely ministerial functions;

- (B) A person who is paid by two or more candidates or political or incidental committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW 42.17A.205; and
- (C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.

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

- (c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.
- (16) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.
- (17) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.
- (18) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

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1 (19) "Election campaign" means any campaign in support of or in 2 opposition to a candidate for election to public office and any 3 campaign in support of, or in opposition to, a ballot proposition.

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- (20) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.
- 11 (21)(a) "Electioneering communication" means any broadcast, 12 cable, or satellite television, radio transmission, digital 13 communication, United States postal service mailing, billboard, 14 newspaper, or periodical that:
 - (i) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;
 - (ii) Is broadcast, transmitted electronically or by other means, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and
 - (iii) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value or cost of one thousand dollars or more.
 - (b) "Electioneering communication" does not include:
 - (i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding the candidate becoming a candidate;
 - (ii) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;
- 36 (iii) A news item, feature, commentary, or editorial in a 37 regularly scheduled news medium that is:
 - (A) Of interest to the public;
- 39 (B) In a news medium controlled by a person whose business is 40 that news medium; and

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- 1 (C) Not a medium controlled by a candidate or a political or 2 incidental committee;
 - (iv) Slate cards and sample ballots;

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- (v) Advertising for books, films, dissertations, or similar works(A) written by a candidate when the candidate entered into a contract for such publications or media at least twelve months before becoming a candidate, or (B) written about a candidate;
 - (vi) Public service announcements;
- (vii) An internal political communication primarily limited to the members of or contributors to a political party organization or political or incidental committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to 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.
 - (22) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" shall not include the partial or complete repayment by a candidate or political or incidental committee of the principal of a loan, the receipt of which loan has been properly reported.
- 33 (23) "Final report" means the report described as a final report 34 in RCW 42.17A.235(11)(a).
 - (24) "Foreign national" means:
- 36 <u>(a) An individual who is not a citizen of the United States and</u> 37 is not lawfully admitted for permanent residence;
 - (b) A government, or subdivision, of a foreign country;
- 39 (c) A foreign political party; and

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- (d) Any entity, such as a partnership, association, corporation, organization, or other combination of persons, that is organized under the laws of or has its principal place of business in a foreign country.
- 5 (25) "General election" for the purposes of RCW 42.17A.405 means 6 the election that results in the election of a person to a state or 7 local office. It does not include a primary.
 - $((\frac{(25)}{1}))$ (26) "Gift" has the definition in RCW 42.52.010.

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- $((\frac{(26)}{(26)}))$ "Immediate family" includes the spouse or domestic 9 partner, dependent children, and other dependent relatives, if living 10 11 the household. For the purposes of the definition 12 "intermediary" in this section, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, 13 14 grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the 15 16 domestic partner of any such person and a child, stepchild, 17 grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner 18 and the spouse or the domestic partner of any such person. 19
 - $((\frac{(27)}{)})$ <u>(28)</u> "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in excess of the reporting thresholds in RCW 42.17A.235, directly or through a political committee. Any nonprofit organization is not an incidental committee if it is only remitting payments through the nonprofit organization in an aggregated form and the nonprofit organization is not required to report those payments in accordance with this chapter.
- 29 $((\frac{(28)}{(28)}))$ "Incumbent" means a person who is in present 30 possession of an elected office.
- 31 $((\frac{(29)}{(29)}))$ (30) (a) "Independent expenditure" means an expenditure 32 that has each of the following elements:
- 33 (i) It is made in support of or in opposition to a candidate for 34 office by a person who is not:
 - (A) A candidate for that office;
- 36 (B) An authorized committee of that candidate for that office; 37 and
- 38 (C) A person who has received the candidate's encouragement or 39 approval to make the expenditure, if the expenditure pays in whole or 40 in part for political advertising supporting that candidate or

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1 promoting the defeat of any other candidate or candidates for that 2 office;

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- (ii) It is made in support of or in opposition to a candidate for office by a person with whom the candidate has not collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;
- (iii) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and
- (iv) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of one thousand dollars or more. A series of expenditures, each of which is under one thousand dollars, constitutes one independent expenditure if their cumulative value is one thousand dollars or more.
- (b) "Independent expenditure" does not include: Ordinary home hospitality; communications with journalists or editorial staff designed to elicit a news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, controlled by a person whose business is that news medium, and not controlled by a candidate or a political committee; participation in the creation of a publicly funded voters pamphlet in written or video form; an statement internal political communication primarily limited to contributors to a political party organization or political action committee, the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers or incidental expenses personally incurred by volunteer campaign workers not in excess of two hundred fifty dollars personally paid for by the worker.
- (((30))) (31)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.
- 39 (b) A treasurer or a candidate is not an intermediary for 40 purposes of the committee that the treasurer or candidate serves.

- 1 (c) A professional fund-raiser is not an intermediary if the 2 fund-raiser is compensated for fund-raising services at the usual and 3 customary rate.
- 4 (d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.

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- (((31))) <u>(32)</u> "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.
- $((\frac{32}{12}))$ <u>(33)</u> "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.
 - (((33))) <u>(34)</u> "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.
- 23 (((34))) (35) "Lobbyist" includes any person who lobbies either 24 on the person's own or another's behalf.
- $((\frac{35}{)})$ <u>(36)</u> "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom the lobbyist is compensated for acting as a lobbyist.
 - (((36))) (37) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.
- 31 $((\frac{37}{1}))$ <u>(38)</u> "Participate" means that, with respect to a particular election, an entity:
- 33 (a) Makes either a monetary or in-kind contribution to a 34 candidate;
- 35 (b) Makes an independent expenditure or electioneering 36 communication in support of or opposition to a candidate;
- 37 (c) Endorses a candidate before contributions are made by a 38 subsidiary corporation or local unit with respect to that candidate 39 or that candidate's opponent;

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

- (e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.
- (((38))) <u>(39)</u> "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.
- (((39))) <u>(40)</u> "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, digital communication, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.
- ((40))) <u>(41)</u> "Political committee" means any person (except a candidate or an individual dealing with the candidate's or individual's own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.
- ((41+)) (42) "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.
- (((42+))) (43) "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.
- $((\frac{(43)}{(43)}))$ <u>(44)</u> "Public record" has the definition in RCW 42.56.010.

- 1 (((44))) (45) "Recall campaign" means the period of time 2 beginning on the date of the filing of recall charges under RCW 3 29A.56.120 and ending thirty days after the recall election.
 - ((45))) <u>(46)</u> "Remediable violation" means any violation of this chapter that:
 - (a) Involved expenditures or contributions totaling no more than the contribution limits set out under RCW 42.17A.405(2) per election, or one thousand dollars if there is no statutory limit;
 - (b) Occurred:

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- 10 (i) More than thirty days before an election, where the 11 commission entered into an agreement to resolve the matter; or
 - (ii) At any time where the violation did not constitute a material violation because it was inadvertent and minor or otherwise has been cured and, after consideration of all the circumstances, further proceedings would not serve the purposes of this chapter;
 - (c) Does not materially harm the public interest, beyond the harm to the policy of this chapter inherent in any violation; and
 - (d) Involved:
 - (i) A person who:
 - (A) Took corrective action within five business days after the commission first notified the person of noncompliance, or where the commission did not provide notice and filed a required report within twenty-one days after the report was due to be filed; and
 - (B) Substantially met the filing deadline for all other required reports within the immediately preceding twelve-month period; or
 - (ii) A candidate who:
 - (A) Lost the election in question; and
 - (B) Did not receive contributions over one hundred times the contribution limit in aggregate per election during the campaign in question.
 - ((46))) (47)(a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.
- 37 (b) "Sponsor," for purposes of a political or incidental 38 committee, means any person, except an authorized committee, to whom 39 any of the following applies:

- 1 (i) The committee receives eighty percent or more of its 2 contributions either from the person or from the person's members, 3 officers, employees, or shareholders;
- 4 (ii) The person collects contributions for the committee by use 5 of payroll deductions or dues from its members, officers, or 6 employees.
- (((47))) (48) "Sponsored committee" means a committee, other than 8 an authorized committee, that has one or more sponsors.

- (((48))) <u>(49)</u> "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.
- (((49))) (50) "State official" means a person who holds a state 15 office.
 - (((50))) <u>(51)</u> "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts or expenses incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts or expenses when it makes its final report under RCW 42.17A.255.
 - $((\frac{51}{10}))$ (52) "Technical correction" means the correction of a minor or ministerial error in a required report that does not materially harm the public interest and needs to be corrected for the report to be in full compliance with the requirements of this chapter.
- $((\frac{(52)}{(52)}))$ <u>(53)</u> "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political or incidental committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.
- $((\frac{(53)}{(54)}))$ <u>(54)</u> "Violation" means a violation of this chapter that is not a remediable violation, minor violation, or an error classified by the commission as appropriate to address by a technical correction.

Sec. 3. RCW 42.17A.240 and 2019 c 428 s 21 are each amended to 2 read as follows:

Each report required under RCW 42.17A.235 (1) through (4) must be certified as correct by the treasurer and the candidate and shall disclose the following, except an incidental committee only must disclose and certify as correct the information required under subsections (2) (d) and (((6))) (7) of this section:

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

- (2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:
- (a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;
 - (b) Income that results from a fund-raising activity conducted in accordance with RCW 42.17A.230 may be reported as one lump sum, with the exception of that portion received from persons whose names and addresses are required to be included in the report required by RCW 42.17A.230;
 - (c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor;
- (d) Payments received by an incidental committee from any one person need not be reported unless the person is one of the committee's ten largest sources of payments received, including any persons tied as the tenth largest source of payments received, during the current calendar year, and the value of the cumulative payments received from that person during the current calendar year is ten thousand dollars or greater. For payments to incidental committees from multiple persons received in aggregated form, any payment of more than ten thousand dollars from any single person must be reported, but the aggregated payment itself may not be reported. The commission may suspend or modify reporting requirements for payments received by an incidental committee in cases of manifestly unreasonable hardship under this chapter;

1 (e) Payments from private foundations organized under section 2 501(c)(3) of the internal revenue code to an incidental committee do not have to be reported if:

- (i) The private foundation is contracting with the incidental committee for a specific purpose other than election campaign purposes;
- (ii) Use of the funds for election campaign purposes is explicitly prohibited by contract; and
- (iii) Funding from the private foundation represents less than twenty-five percent of the incidental committee's total budget;
- (f) Commentary or analysis on a ballot proposition by an incidental committee is not considered a contribution if it does not advocate specifically to vote for or against the ballot proposition; and
- 15 (g) The money value of contributions of postage is the face value 16 of the postage;
 - (3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;
 - (4) All other contributions not otherwise listed or exempted;
 - (5) A statement that the candidate or political committee has received a certification from any partnership, association, corporation, organization, or other combination of persons making a contribution to the candidate or political committee that:
 - (a) The contribution is not financed in any part by a foreign national; and
- 29 <u>(b) Foreign nationals are not involved in making decisions</u>
 30 regarding the contribution in any way;
 - (6) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;
 - (((6))) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures. An incidental committee only must report on expenditures, made and reportable as contributions as defined in RCW 42.17A.005, to election campaigns. For purposes of this subsection,

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- commentary or analysis on a ballot proposition by an incidental committee is not considered an expenditure if it does not advocate specifically to vote for or against the ballot proposition;
- (((7))) (8) The name, address, and electronic contact information of each person to whom an expenditure was made for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (((6))) (7) of this section;
- $((\frac{(8)}{(9)}))$ (9) (a) The name and address of any person and the amount owed for any debt with a value of more than seven hundred fifty dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within thirty days before an election, or within ten business days during any other period.
- (b) For purposes of this subsection, debt does not include regularly recurring expenditures of the same amount that have already been reported at least once and that are not late or outstanding;
- 20 $((\frac{(9)}{)})$ The surplus or deficit of contributions over 21 expenditures;
- 22 $((\frac{(10)}{(10)}))$ <u>(11)</u> The disposition made in accordance with RCW 23 42.17A.430 of any surplus funds; and
- $((\frac{(11)}{(11)}))$ <u>(12)</u> Any other information required by the commission by rule in conformance with the policies and purposes of this chapter.
- 26 **Sec. 4.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to 27 read as follows:
- 28 (1) An out-of-state political committee organized for the purpose of supporting or opposing candidates or ballot propositions in another state that is not otherwise required to report under RCW 42.17A.205 through 42.17A.240 shall report as required in this section when it makes an expenditure supporting or opposing a Washington state candidate or political committee. The committee shall file with the commission a statement disclosing:
 - (a) Its name and address;

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- (b) The purposes of the out-of-state committee;
- 37 (c) The names, addresses, and titles of its officers or, if it 38 has no officers, the names, addresses, and the titles of its 39 responsible leaders;

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

- (e) The ballot proposition supported or opposed in the state of Washington, if any, and whether the committee is in favor of or opposed to that proposition;
- (f) The name and address of each person residing in the state of Washington or corporation that has a place of business in the state of Washington who has made one or more contributions in the aggregate of more than twenty-five dollars to the out-of-state committee during the current calendar year, together with the money value and date of the contributions;
- (g) The name, address, and employer of each person or corporation residing outside the state of Washington who has made one or more contributions in the aggregate of more than two thousand five hundred fifty dollars to the out-of-state committee during the current calendar year, together with the money value and date of the contributions. Annually, the commission must modify the two thousand five hundred fifty dollar limit in this subsection based on percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce;
- (h) The name and address of each person in the state of Washington to whom an expenditure was made by the out-of-state committee with respect to a candidate or political committee in the aggregate amount of more than fifty dollars, the amount, date, and purpose of the expenditure, and the total sum of the expenditures; ((and))
- (i) A statement that the out-of-state committee has received a certification from any partnership, association, corporation, organization, or other combination of persons making a contribution reportable under this section that:
- (i) The contribution is not financed in any part by a foreign national; and
- (ii) Foreign nationals are not involved in making decisions
 regarding the contribution in any way; and
- 39 <u>(j)</u> Any other information as the commission may prescribe by rule 40 in keeping with the policies and purposes of this chapter.

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(2) Each statement shall be filed no later than the tenth day of the month following any month in which a contribution or other expenditure reportable under subsection (1) of this section is made. An out-of-state committee incurring an obligation to file additional statements in a calendar year may satisfy the obligation by timely filing reports that supplement previously filed information.

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- 7 **Sec. 5.** RCW 42.17A.255 and 2019 c 428 s 22 are each amended to 8 read as follows:
 - (1) For the purposes of this section the term "independent expenditure" means any expenditure that is made in support of or in opposition to any candidate or ballot proposition and is not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, and 42.17A.240. "Independent expenditure" does not include: An internal political communication primarily limited to the contributors to a political party organization or political action committee, or the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this section, means services or labor for which the individual is not compensated by any person.
 - (2) Within five days after the date of making an independent expenditure that by itself or when added to all other such independent expenditures made during the same election campaign by the same person equals one hundred dollars or more, or within five days after the date of making an independent expenditure for which no reasonable estimate of monetary value is practicable, whichever occurs first, the person who made the independent expenditure shall file with the commission an initial report of all independent expenditures made during the campaign prior to and including such date.
- 35 (3) At the following intervals each person who is required to 36 file an initial report pursuant to subsection (2) of this section 37 shall file with the commission a further report of the independent 38 expenditures made since the date of the last report:

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

- (b) On the tenth day of the first month after the election; and
- (c) On the tenth day of each month in which no other reports are required to be filed pursuant to this section. However, the further reports required by this subsection (3) shall only be filed if the reporting person has made an independent expenditure since the date of the last previous report filed.

The report filed pursuant to (a) of this subsection (3) shall be the final report, and upon submitting such final report the duties of the reporting person shall cease, and there shall be no obligation to make any further reports.

- (4) All reports filed pursuant to this section shall be certified as correct by the reporting person.
 - (5) Each report required by subsections (2) and (3) of this section shall disclose for the period beginning at the end of the period for the last previous report filed or, in the case of an initial report, beginning at the time of the first independent expenditure, and ending not more than one business day before the date the report is due:
- (a) The name, address, and electronic contact information of the person filing the report;
 - (b) The name and address of each person to whom an independent expenditure was made in the aggregate amount of more than fifty dollars, and the amount, date, and purpose of each such expenditure. If no reasonable estimate of the monetary value of a particular independent expenditure is practicable, it is sufficient to report instead a precise description of services, property, or rights furnished through the expenditure and where appropriate to attach a copy of the item produced or distributed by the expenditure;
- 31 (c) The total sum of all independent expenditures made during the 32 campaign to date; ((and))
- 33 (d) A statement from the person making an independent expenditure 34 that:
- (i) The expenditure is not financed in any part by a foreign national; and
- (ii) Foreign nationals are not involved in making decisions
 regarding the expenditure in any way; and

- 1 <u>(e)</u> Such other information as shall be required by the commission 2 by rule in conformance with the policies and purposes of this 3 chapter.
- 4 **Sec. 6.** RCW 42.17A.260 and 2019 c 428 s 23 are each amended to read as follows:
 - (1) The sponsor of political advertising shall file a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public, if the political advertising:
- 11 (a) Is published, mailed, or otherwise presented to the public 12 within twenty-one days of an election; and
 - (b) Either:

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- 14 (i) Qualifies as an independent expenditure with a fair market 15 value or actual cost of one thousand dollars or more, for political 16 advertising supporting or opposing a candidate; or
- 17 (ii) Has a fair market value or actual cost of one thousand 18 dollars or more, for political advertising supporting or opposing a 19 ballot proposition.
 - (2) If a sponsor is required to file a special report under this section, the sponsor shall also deliver to the commission within the delivery period established in subsection (1) of this section a special report for each subsequent independent expenditure of any size supporting or opposing the same candidate who was the subject of the previous independent expenditure, supporting or opposing that candidate's opponent, or, in the case of a subsequent expenditure of any size made in support of or in opposition to a ballot proposition not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, or 42.17A.240, supporting or opposing the same ballot proposition that was the subject of the previous expenditure.
 - (3) The special report must include:
 - (a) The name and address of the person making the expenditure;
- 33 (b) The name and address of the person to whom the expenditure 34 was made;
- 35 (c) A detailed description of the expenditure;
- 36 (d) The date the expenditure was made and the date the political advertising was first published or otherwise presented to the public;
 - (e) The amount of the expenditure;

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- (f) The name of the candidate supported or opposed by the expenditure, the office being sought by the candidate, and whether the expenditure supports or opposes the candidate; or the name of the ballot proposition supported or opposed by the expenditure and whether the expenditure supports or opposes the ballot proposition; ((and))
 - (g) A statement from the sponsor that:

- 8 <u>(i) The political advertising is not financed in any part by a</u>
 9 foreign national; and
 - (ii) Foreign nationals are not involved in making decisions regarding the political advertising in any way; and
 - (h) Any other information the commission may require by rule.
 - (4) All persons required to report under RCW 42.17A.225, 42.17A.235, 42.17A.240, 42.17A.255, and 42.17A.305 are subject to the requirements of this section. The commission may determine that reports filed pursuant to this section also satisfy the requirements of RCW 42.17A.255.
 - (5) The sponsor of independent expenditures supporting a candidate or opposing that candidate's opponent required to report under this section shall file with each required report an affidavit or declaration of the person responsible for making the independent expenditure that the expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, the candidate, the candidate's authorized committee, or the candidate's agent, or with the encouragement or approval of the candidate, the candidate's authorized committee, or the candidate's agent.
- **Sec. 7.** RCW 42.17A.265 and 2019 c 428 s 24 are each amended to 29 read as follows:
 - (1) Treasurers shall prepare and deliver to the commission a special report when a contribution or aggregate of contributions totals one thousand dollars or more, is from a single person or entity, and is received during a special reporting period.
 - (2) A political committee shall prepare and deliver to the commission a special report when it makes a contribution or an aggregate of contributions to a single entity that totals one thousand dollars or more during a special reporting period.
 - (3) An aggregate of contributions includes only those contributions made to or received from a single entity during any one

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special reporting period. Any subsequent contribution of any size made to or received from the same person or entity during the special reporting period must also be reported.

- (4) Special reporting periods, for purposes of this section, include:
- (a) The period beginning on the day after the last report required by RCW 42.17A.235 and 42.17A.240 to be filed before a primary and concluding on the end of the day before that primary;
 - (b) The period twenty-one days preceding a general election; and
- (c) An aggregate of contributions includes only those contributions received from a single entity during any one special reporting period or made by the contributing political committee to a single entity during any one special reporting period.
- (5) If a campaign treasurer files a special report under this section for one or more contributions received from a single entity during a special reporting period, the treasurer shall also file a special report under this section for each subsequent contribution of any size which is received from that entity during the special reporting period. If a political committee files a special report under this section for a contribution or contributions made to a single entity during a special reporting period, the political committee shall also file a special report for each subsequent contribution of any size which is made to that entity during the special reporting period.
- (6) Special reports required by this section shall be delivered electronically, or in written form if an electronic alternative is not available.
 - (a) The special report required of a contribution recipient under subsection (1) of this section shall be delivered to the commission within forty-eight hours of the time, or on the first working day after: The contribution of one thousand dollars or more is received by the candidate or treasurer; the aggregate received by the candidate or treasurer first equals one thousand dollars or more; or any subsequent contribution from the same source is received by the candidate or treasurer.
- (b) The special report required of a contributor under subsection (2) of this section or RCW 42.17A.625 shall be delivered to the commission, and the candidate or political committee to whom the contribution or contributions are made, within twenty-four hours of the time, or on the first working day after: The contribution is

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- made; the aggregate of contributions made first equals one thousand dollars or more; or any subsequent contribution to the same person or entity is made.
 - (7) The special report shall include:
 - (a) The amount of the contribution or contributions;
 - (b) The date or dates of receipt;

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- (c) The name and address of the donor;
- (d) The name and address of the recipient; ((and))
- 9 (e) A statement that the candidate or political committee has
 10 received a certification from any partnership, association,
 11 corporation, organization, or other combination of persons making a
 12 contribution reportable under this section that:
- (i) The contribution is not financed in any part by a foreign national; and
- 15 <u>(ii) Foreign nationals are not involved in making decisions</u> 16 regarding the contribution in any way; and
 - (f) Any other information the commission may by rule require.
 - (8) Contributions reported under this section shall also be reported as required by other provisions of this chapter.
 - (9) The commission shall prepare daily a summary of the special reports made under this section and RCW 42.17A.625.
 - (10) Contributions governed by this section include, but are not limited to, contributions made or received indirectly through a third party or entity whether the contributions are or are not reported to the commission as earmarked contributions under RCW 42.17A.270.
- 26 **Sec. 8.** RCW 42.17A.305 and 2019 c 428 s 25 are each amended to read as follows:
 - (1) A payment for or promise to pay for any electioneering communication shall be reported to the commission by the sponsor on forms the commission shall develop by rule to include, at a minimum, the following information:
 - (a) Name and address of the sponsor;
 - (b) Source of funds for the communication, including:
- (i) General treasury funds. The name and address of businesses, unions, groups, associations, or other organizations using general treasury funds for the communication, however, if a business, union, group, association, or other organization undertakes a special solicitation of its members or other persons for an electioneering communication, or it otherwise receives funds for an electioneering

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- 1 communication, that entity shall report pursuant to (b)(ii) of this 2 subsection;
 - (ii) Special solicitations and other funds. The name, address, and, for individuals, occupation and employer, of a person whose funds were used to pay for the electioneering communication, along with the amount, if such funds from the person have exceeded two hundred fifty dollars in the aggregate for the electioneering communication; ((and))
 - (iii) A statement from the sponsor that:

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- 10 (A) The electioneering communication is not financed in any part
 11 by a foreign national; and
- 12 <u>(B) Foreign nationals are not involved in making decisions</u>
 13 regarding the electioneering communication in any way; and
- 14 <u>(iv)</u> Any other source information required or exempted by the 15 commission by rule;
- 16 (c) Name and address of the person to whom an electioneering 17 communication related expenditure was made;
- 18 (d) A detailed description of each expenditure of more than one 19 hundred dollars;
 - (e) The date the expenditure was made and the date the electioneering communication was first broadcast, transmitted, mailed, erected, distributed, or otherwise published;
 - (f) The amount of the expenditure;
- 24 (g) The name of each candidate clearly identified in the 25 electioneering communication, the office being sought by each 26 candidate, and the amount of the expenditure attributable to each 27 candidate; and
- 28 (h) Any other information the commission may require or exempt by 29 rule.
 - (2) Electioneering communications shall be reported as follows: The sponsor of an electioneering communication shall report to the commission within twenty-four hours of, or on the first working day after, the date the electioneering communication is broadcast, transmitted, mailed, erected, distributed, digitally or otherwise, or otherwise published.
- 36 (3) Electioneering communications shall be reported 37 electronically by the sponsor using software provided or approved by 38 the commission. The commission may make exceptions on a case-by-case 39 basis for a sponsor who lacks the technological ability to file

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- 1 reports using the electronic means provided or approved by the 2 commission.
- 3 (4) All persons required to report under RCW 42.17A.225,
- 4 42.17A.235, 42.17A.240, and 42.17A.255 are subject to the
- 5 requirements of this section, although the commission may determine
- 6 by rule that persons filing according to those sections may be exempt
- 7 from reporting some of the information otherwise required by this
- 8 section. The commission may determine that reports filed pursuant to
- 9 this section also satisfy the requirements of RCW 42.17A.255 and
- 10 42.17A.260.
- 11 (5) Failure of any sponsor to report electronically under this
- 12 section shall be a violation of this chapter.
- 13 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 42.17A
- 14 RCW to read as follows:
- 15 (1) A foreign national may not make a contribution to any
- 16 candidate or political committee, make an expenditure in support of
- 17 or in opposition to any candidate or ballot measure, or sponsor
- 18 political advertising or an electioneering communication.
- 19 (2) A person may not make a contribution to any candidate or
- 20 political committee, make an expenditure in support of or in
- 21 opposition to any candidate or ballot measure, or sponsor political
- 22 advertising or an electioneering communication, if:
- 23 (a) The contribution, expenditure, political advertising, or
- 24 electioneering communication is financed in any part by a foreign
- 25 national; or
- 26 (b) Foreign nationals are involved in making decisions regarding
- 27 the contribution, expenditure, political advertising, or
- 28 electioneering communication in any way.
- 29 <u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 42.17A
- 30 RCW to read as follows:
- 31 (1) Each candidate or political committee that has accepted a
- 32 contribution, and each out-of-state committee that has accepted a
- 33 contribution reportable under RCW 42.17A.250, from a partnership,
- 34 association, corporation, organization, or other combination of
- 35 persons must receive a certification from each contributor that:
- 36 (a) The contribution is not financed in any part by a foreign
- 37 national; and

- 1 (b) Foreign nationals are not involved in making decisions 2 regarding the contribution in any way.
- 3 (2) The certifications must be maintained for a period of no less 4 than three years after the date of the applicable election.
- 5 (3) At the request of the commission, each candidate or committee 6 required to comply with subsection (1) of this section must provide 7 to the commission copies of the certifications maintained under this 8 section.
- 9 <u>NEW SECTION.</u> **Sec. 11.** A new section is added to chapter 42.17A 10 RCW to read as follows:
- 11 This act does not affect or modify the power of a local 12 government to adopt an ordinance or regulation on matters governed by 13 this act.

Passed by the Senate March 10, 2020. Passed by the House March 4, 2020. Approved by the Governor March 25, 2020. Filed in Office of Secretary of State March 26, 2020.

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