

ESSB 5207 - H COMM AMD

By Committee on State Government & Tribal Relations

NOT CONSIDERED 01/02/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 42.17A.455 and 2010 c 204 s 609 are each amended to
4 read as follows:

5 For purposes of this chapter:

6 (1) A contribution by a political committee with funds that have
7 all been contributed by one person who exercises exclusive control
8 over the distribution of the funds of the political committee is a
9 contribution by the controlling person.

10 (2) Two or more entities are treated as a single entity if one of
11 the two or more entities is a subsidiary, branch, or department of a
12 corporation that is participating in an election campaign or making
13 contributions, or a local unit or branch of a trade association,
14 labor union, or collective bargaining association that is
15 participating in an election campaign or making contributions. All
16 contributions made by a person or political committee whose
17 contribution or expenditure activity is financed, maintained, or
18 controlled by a trade association, labor union, collective bargaining
19 organization, or the local unit of a trade association, labor union,
20 or collective bargaining organization are considered made by the
21 trade association, labor union, collective bargaining organization,
22 or local unit of a trade association, labor union, or collective
23 bargaining organization.

24 (3) The contribution of any entity must be aggregated with the
25 contributions made by each individual who owns or holds a majority
26 interest in the entity.

27 (4) Two or more entities are treated as a single entity and share
28 a contribution limit if:

29 (a) One of the entities is established, financed, maintained, or
30 controlled by the other; or

31 (b) The same individual owns or holds a majority interest in each
32 entity.

1 (5) The commission shall adopt rules to carry out this section
2 and is not subject to the time restrictions of RCW 42.17A.110(1).

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.17A
4 RCW to read as follows:

5 (1) Any limited liability company that has registered with the
6 secretary of state under chapter 23.95 RCW and has not elected to be
7 classified as a corporation under the federal tax code may make
8 contributions only if the company has:

9 (a) Been in existence for at least one year prior to making
10 contributions; and

11 (b) Electronically filed with the commission a declaration that
12 the company is a legitimate business with a legitimate business
13 interest and is not created for the sole purpose of making campaign
14 contributions.

15 (2) The commission shall develop a method for limited liability
16 companies to file the declaration required under subsection (1)(b) of
17 this section. The commission shall post all information submitted
18 pursuant to this section on its website on a public page in a
19 searchable format."

20 Correct the title.

EFFECT: Specifies that two entities share a contribution limit if one of the entities (rather than each entity) is established, financed, maintained, or controlled by the other. Provides that two entities share a contribution limit if the same individual owns or holds a majority interest in each.

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