
SUBSTITUTE HOUSE BILL 1426

State of Washington

68th Legislature

2023 Regular Session

By House State Government & Tribal Relations (originally sponsored by Representatives Mena, Reed, Fosse, Street, Simmons, Bateman, Ramel, Pollet, and Ormsby)

READ FIRST TIME 02/03/23.

1 AN ACT Relating to campaign contributions by controlled entities;
2 amending RCW 42.17A.455; and adding a new section to chapter 42.17A
3 RCW.

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

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

7 For purposes of this chapter:

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

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

1 or collective bargaining organization are considered made by the
2 trade association, labor union, collective bargaining organization,
3 or local unit of a trade association, labor union, or collective
4 bargaining organization.

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

8 (b) Two or more entities shall be treated as a single entity and
9 share a contribution limit if each is established, financed,
10 maintained, or controlled by the same person or majority of persons.

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

13 NEW SECTION. Sec. 2. A new section is added to chapter 42.17A
14 RCW to read as follows:

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

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

21 (b) Electronically filed with the commission a declaration that
22 the company is a legitimate business with a legitimate business
23 interest and is not created for the sole purpose of making campaign
24 contributions.

25 (2) The commission shall develop a method for limited liability
26 companies to file the declaration required under subsection (1)(b) of
27 this section. The commission shall post all information submitted
28 pursuant to this section on its website on a public page in a
29 searchable format.

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