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ENGROSSED SENATE BILL 5153

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State of Washington

64th Legislature

2015 Regular Session

By Senators Billig, Roach, Sheldon, Fain, Lias, Mullet, Fraser, Dansel, McCoy, Rolfes, Cleveland, Darneille, Habib, Padden, Nelson, Benton, Chase, Keiser, Jayapal, Hasegawa, and Frockt

Read first time 01/14/15. Referred to Committee on Government Operations & State Security.

1 AN ACT Relating to increasing transparency of campaign  
2 contributions; amending RCW 42.17A.235, 42.17A.240, and 42.17A.250;  
3 reenacting and amending RCW 42.17A.005; adding new sections to  
4 chapter 42.17A RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the public has  
7 the right to know who is contributing to election campaigns in  
8 Washington state and that campaign finance disclosure deters  
9 corruption, increases public confidence in Washington state  
10 elections, and strengthens our representative democracy.

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

17 The legislature finds that nonprofit organizations are  
18 increasingly engaging in campaign activities in Washington state and  
19 across the country, including taking a more active role in  
20 contributing to candidate and ballot proposition campaigns. In some

1 cases, these activities are occurring without adequate public  
2 disclosure due to loopholes in campaign finance regulations.

3 Therefore, the legislature intends to increase transparency and  
4 accountability, deter corruption, and strengthen confidence in the  
5 election process by closing campaign finance disclosure loopholes and  
6 requiring the disclosure of contributions and expenditures by  
7 nonprofit organizations that participate significantly in Washington  
8 state elections.

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

11 The definitions in this section apply throughout this chapter  
12 unless the context clearly requires otherwise.

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

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

22 (3) "Authorized committee" means the political committee  
23 authorized by a candidate, or by the public official against whom  
24 recall charges have been filed, to accept contributions or make  
25 expenditures on behalf of the candidate or public official.

26 (4) "Ballot proposition" means any "measure" as defined by RCW  
27 29A.04.091, or any initiative, recall, or referendum proposition  
28 proposed to be submitted to the voters of the state or any municipal  
29 corporation, political subdivision, or other voting constituency from  
30 and after the time when the proposition has been initially filed with  
31 the appropriate election officer of that constituency before its  
32 circulation for signatures.

33 (5) "Benefit" means a commercial, proprietary, financial,  
34 economic, or monetary advantage, or the avoidance of a commercial,  
35 proprietary, financial, economic, or monetary disadvantage.

36 (6) "Bona fide political party" means:

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

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

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

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

12 (a) Receives contributions or makes expenditures or reserves  
13 space or facilities with intent to promote his or her candidacy for  
14 office;

15 (b) Announces publicly or files for office;

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

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

21 (8) "Caucus political committee" means a political committee  
22 organized and maintained by the members of a major political party in  
23 the state senate or state house of representatives.

24 (9) "Commercial advertiser" means any person who sells the  
25 service of communicating messages or producing printed material for  
26 broadcast or distribution to the general public or segments of the  
27 general public whether through the use of newspapers, magazines,  
28 television and radio stations, billboard companies, direct mail  
29 advertising companies, printing companies, or otherwise.

30 (10) "Commission" means the agency established under RCW  
31 42.17A.100.

32 (11) "Compensation" unless the context requires a narrower  
33 meaning, includes payment in any form for real or personal property  
34 or services of any kind. For the purpose of compliance with RCW  
35 42.17A.710, "compensation" does not include per diem allowances or  
36 other payments made by a governmental entity to reimburse a public  
37 official for expenses incurred while the official is engaged in the  
38 official business of the governmental entity.

1 (12) "Continuing political committee" means a political committee  
2 that is an organization of continuing existence not established in  
3 anticipation of any particular election campaign.

4 (13)(a) "Contribution" includes:

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

9 (ii) An expenditure made by a person in cooperation,  
10 consultation, or concert with, or at the request or suggestion of, a  
11 candidate, a political committee, the person or persons named on the  
12 candidate's or committee's registration form who direct expenditures  
13 on behalf of the candidate or committee, or their agents;

14 (iii) The financing by a person of the dissemination,  
15 distribution, or republication, in whole or in part, of broadcast,  
16 written, graphic, or other form of political advertising or  
17 electioneering communication prepared by a candidate, a political  
18 committee, or its authorized agent;

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

22 (b) "Contribution" does not include:

23 (i) Standard interest on money deposited in a political  
24 committee's account;

25 (ii) Ordinary home hospitality;

26 (iii) A contribution received by a candidate or political  
27 committee that is returned to the contributor within five business  
28 days of the date on which it is received by the candidate or  
29 political committee;

30 (iv) A news item, feature, commentary, or editorial in a  
31 regularly scheduled news medium that is of primary interest to the  
32 general public, that is in a news medium controlled by a person whose  
33 business is that news medium, and that is not controlled by a  
34 candidate or a political committee;

35 (v) An internal political communication primarily limited to the  
36 members of or contributors to a political party organization or  
37 political committee, or to the officers, management staff, or  
38 stockholders of a corporation or similar enterprise, or to the  
39 members of a labor organization or other membership organization;

1 (vi) The rendering of personal services of the sort commonly  
2 performed by volunteer campaign workers, or incidental expenses  
3 personally incurred by volunteer campaign workers not in excess of  
4 fifty dollars personally paid for by the worker. "Volunteer  
5 services," for the purposes of this subsection, means services or  
6 labor for which the individual is not compensated by any person;

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

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

14 (A) A political party or caucus political committee if the person  
15 paying for the services is the regular employer of the person  
16 rendering such services; or

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

21 (ix) The performance of ministerial functions by a person on  
22 behalf of two or more candidates or political committees either as  
23 volunteer services defined in (b)(vi) of this subsection or for  
24 payment by the candidate or political committee for whom the services  
25 are performed as long as:

26 (A) The person performs solely ministerial functions;

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

31 (C) The person does not disclose, except as required by law, any  
32 information regarding a candidate's or committee's plans, projects,  
33 activities, or needs, or regarding a candidate's or committee's  
34 contributions or expenditures that is not already publicly available  
35 from campaign reports filed with the commission, or otherwise engage  
36 in activity that constitutes a contribution under (a)(ii) of this  
37 subsection.

38 A person who performs ministerial functions under this subsection  
39 (13)(b)(ix) is not considered an agent of the candidate or committee

1 as long as he or she has no authority to authorize expenditures or  
2 make decisions on behalf of the candidate or committee.

3 (c) Contributions other than money or its equivalent are deemed  
4 to have a monetary value equivalent to the fair market value of the  
5 contribution. Services or property or rights furnished at less than  
6 their fair market value for the purpose of assisting any candidate or  
7 political committee are deemed a contribution. Such a contribution  
8 must be reported as an in-kind contribution at its fair market value  
9 and counts towards any applicable contribution limit of the provider.

10 (14) "Depository" means a bank, mutual savings bank, savings and  
11 loan association, or credit union doing business in this state.

12 (15) "Elected official" means any person elected at a general or  
13 special election to any public office, and any person appointed to  
14 fill a vacancy in any such office.

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

22 (17) "Election campaign" means any campaign in support of or in  
23 opposition to a candidate for election to public office and any  
24 campaign in support of, or in opposition to, a ballot proposition.

25 (18) "Election cycle" means the period beginning on the first day  
26 of January after the date of the last previous general election for  
27 the office that the candidate seeks and ending on December 31st after  
28 the next election for the office. In the case of a special election  
29 to fill a vacancy in an office, "election cycle" means the period  
30 beginning on the day the vacancy occurs and ending on December 31st  
31 after the special election.

32 (19)(a) "Electioneering communication" means any broadcast,  
33 cable, or satellite television or radio transmission, United States  
34 postal service mailing, billboard, newspaper, or periodical that:

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

38 (ii) Is broadcast, transmitted, mailed, erected, distributed, or  
39 otherwise published within sixty days before any election for that

1 office in the jurisdiction in which the candidate is seeking  
2 election; and

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

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

8 (i) Usual and customary advertising of a business owned by a  
9 candidate, even if the candidate is mentioned in the advertising when  
10 the candidate has been regularly mentioned in that advertising  
11 appearing at least twelve months preceding his or her becoming a  
12 candidate;

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

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

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

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

22 (C) Not a medium controlled by a candidate or a political  
23 committee;

24 (iv) Slate cards and sample ballots;

25 (v) Advertising for books, films, dissertations, or similar works

26 (A) written by a candidate when the candidate entered into a contract  
27 for such publications or media at least twelve months before becoming  
28 a candidate, or (B) written about a candidate;

29 (vi) Public service announcements;

30 (vii) A mailed internal political communication primarily limited  
31 to the members of or contributors to a political party organization  
32 or political committee, or to the officers, management staff, or  
33 stockholders of a corporation or similar enterprise, or to the  
34 members of a labor organization or other membership organization;

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

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

39 (20) "Expenditure" includes a payment, contribution,  
40 subscription, distribution, loan, advance, deposit, or gift of money

1 or anything of value, and includes a contract, promise, or agreement,  
2 whether or not legally enforceable, to make an expenditure.  
3 "Expenditure" also includes a promise to pay, a payment, or a  
4 transfer of anything of value in exchange for goods, services,  
5 property, facilities, or anything of value for the purpose of  
6 assisting, benefiting, or honoring any public official or candidate,  
7 or assisting in furthering or opposing any election campaign. For the  
8 purposes of this chapter, agreements to make expenditures, contracts,  
9 and promises to pay may be reported as estimated obligations until  
10 actual payment is made. "Expenditure" (~~shall~~) does not include the  
11 partial or complete repayment by a candidate or political committee  
12 of the principal of a loan, the receipt of which loan has been  
13 properly reported.

14 (21) "Final report" means the report described as a final report  
15 in RCW 42.17A.235(2).

16 (22) "General election" for the purposes of RCW 42.17A.405 means  
17 the election that results in the election of a person to a state or  
18 local office. It does not include a primary.

19 (23) "Gift" has the definition in RCW 42.52.010.

20 (24) "Immediate family" includes the spouse or domestic partner,  
21 dependent children, and other dependent relatives, if living in the  
22 household. For the purposes of the definition of "intermediary" in  
23 this section, "immediate family" means an individual's spouse or  
24 domestic partner, and child, stepchild, grandchild, parent,  
25 stepparent, grandparent, brother, half brother, sister, or half  
26 sister of the individual and the spouse or the domestic partner of  
27 any such person and a child, stepchild, grandchild, parent,  
28 stepparent, grandparent, brother, half brother, sister, or half  
29 sister of the individual's spouse or domestic partner and the spouse  
30 or the domestic partner of any such person.

31 (25)(a) "Incidental committee" means any nonprofit organization  
32 not otherwise defined as a political committee but that may  
33 incidentally make a contribution or an expenditure in support of, or  
34 opposition to, any candidate or any ballot proposition in Washington,  
35 directly or through a political committee.

36 (b) "Incidental committee" does not include any organization  
37 registered under section 527 of the internal revenue code of 1986  
38 that files disclosure reports with the public disclosure commission,  
39 disclosure reports with the federal elections commission, or public

1 quarterly, semiannual, or monthly filings with the internal revenue  
2 service.

3 (26) "Incumbent" means a person who is in present possession of  
4 an elected office.

5 ~~((+26))~~ (27) "Independent expenditure" means an expenditure that  
6 has each of the following elements:

7 (a) It is made in support of or in opposition to a candidate for  
8 office by a person who is not (i) a candidate for that office, (ii)  
9 an authorized committee of that candidate for that office, (iii) a  
10 person who has received the candidate's encouragement or approval to  
11 make the expenditure, if the expenditure pays in whole or in part for  
12 political advertising supporting that candidate or promoting the  
13 defeat of any other candidate or candidates for that office, or (iv)  
14 a person with whom the candidate has collaborated for the purpose of  
15 making the expenditure, if the expenditure pays in whole or in part  
16 for political advertising supporting that candidate or promoting the  
17 defeat of any other candidate or candidates for that office;

18 (b) The expenditure pays in whole or in part for political  
19 advertising that either specifically names the candidate supported or  
20 opposed, or clearly and beyond any doubt identifies the candidate  
21 without using the candidate's name; and

22 (c) The expenditure, alone or in conjunction with another  
23 expenditure or other expenditures of the same person in support of or  
24 opposition to that candidate, has a value of eight hundred dollars or  
25 more. A series of expenditures, each of which is under eight hundred  
26 dollars, constitutes one independent expenditure if their cumulative  
27 value is eight hundred dollars or more.

28 ~~((+27))~~ (28)(a) "Intermediary" means an individual who transmits  
29 a contribution to a candidate or committee from another person unless  
30 the contribution is from the individual's employer, immediate family,  
31 or an association to which the individual belongs.

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

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

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

39 ~~((+28))~~ (29) "Legislation" means bills, resolutions, motions,  
40 amendments, nominations, and other matters pending or proposed in

1 either house of the state legislature, and includes any other matter  
2 that may be the subject of action by either house or any committee of  
3 the legislature and all bills and resolutions that, having passed  
4 both houses, are pending approval by the governor.

5 ~~((+29))~~ (30) "Legislative office" means the office of a member  
6 of the state house of representatives or the office of a member of  
7 the state senate.

8 ~~((+30))~~ (31) "Lobby" and "lobbying" each mean attempting to  
9 influence the passage or defeat of any legislation by the legislature  
10 of the state of Washington, or the adoption or rejection of any rule,  
11 standard, rate, or other legislative enactment of any state agency  
12 under the state administrative procedure act, chapter 34.05 RCW.  
13 Neither "lobby" nor "lobbying" includes an association's or other  
14 organization's act of communicating with the members of that  
15 association or organization.

16 ~~((+31))~~ (32) "Lobbyist" includes any person who lobbies either  
17 in his or her own or another's behalf.

18 ~~((+32))~~ (33) "Lobbyist's employer" means the person or persons  
19 by whom a lobbyist is employed and all persons by whom he or she is  
20 compensated for acting as a lobbyist.

21 ~~((+33))~~ (34) "Ministerial functions" means an act or duty  
22 carried out as part of the duties of an administrative office without  
23 exercise of personal judgment or discretion.

24 ~~((+34))~~ (35) "Participate" means that, with respect to a  
25 particular election, an entity:

26 (a) Makes either a monetary or in-kind contribution to a  
27 candidate;

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

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

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

37 (e) Directly or indirectly collaborates or consults with a  
38 subsidiary corporation or local unit on matters relating to the  
39 support of or opposition to a candidate, including, but not limited  
40 to, the amount of a contribution, when a contribution should be

1 given, and what assistance, services or independent expenditures, or  
2 electioneering communications, if any, will be made or should be made  
3 in support of or opposition to a candidate.

4 ~~((+35+))~~ (36) "Person" includes an individual, partnership, joint  
5 venture, public or private corporation, association, federal, state,  
6 or local governmental entity or agency however constituted,  
7 candidate, committee, political committee, political party, executive  
8 committee thereof, or any other organization or group of persons,  
9 however organized.

10 ~~((+36+))~~ (37) "Political advertising" includes any advertising  
11 displays, newspaper ads, billboards, signs, brochures, articles,  
12 tabloids, flyers, letters, radio or television presentations, or  
13 other means of mass communication, used for the purpose of appealing,  
14 directly or indirectly, for votes or for financial or other support  
15 or opposition in any election campaign.

16 ~~((+37+))~~ (38) "Political committee" means any person (except a  
17 candidate or an individual dealing with his or her own funds or  
18 property), organized or located inside or outside the state, having  
19 the expectation of receiving contributions or making expenditures in  
20 support of, or opposition to, any candidate or any ballot proposition  
21 in Washington.

22 ~~((+38+))~~ (39) "Primary" for the purposes of RCW 42.17A.405 means  
23 the procedure for nominating a candidate to state or local office  
24 under chapter 29A.52 RCW or any other primary for an election that  
25 uses, in large measure, the procedures established in chapter 29A.52  
26 RCW.

27 ~~((+39+))~~ (40) "Public office" means any federal, state, judicial,  
28 county, city, town, school district, port district, special district,  
29 or other state political subdivision elective office.

30 ~~((+40+))~~ (41) "Public record" has the definition in RCW  
31 42.56.010.

32 ~~((+41+))~~ (42) "Recall campaign" means the period of time  
33 beginning on the date of the filing of recall charges under RCW  
34 29A.56.120 and ending thirty days after the recall election.

35 ~~((+42+))~~ (43)(a) "Sponsor" for purposes of an electioneering  
36 communications, independent expenditures, or political advertising  
37 means the person paying for the electioneering communication,  
38 independent expenditure, or political advertising. If a person acts  
39 as an agent for another or is reimbursed by another for the payment,  
40 the original source of the payment is the sponsor.

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

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

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

10 ~~((43))~~ (44) "Sponsored committee" means a committee, other than  
11 an authorized committee, that has one or more sponsors.

12 ~~((44))~~ (45) "State office" means state legislative office or  
13 the office of governor, lieutenant governor, secretary of state,  
14 attorney general, commissioner of public lands, insurance  
15 commissioner, superintendent of public instruction, state auditor, or  
16 state treasurer.

17 ~~((45))~~ (46) "State official" means a person who holds a state  
18 office.

19 ~~((46))~~ (47) "Surplus funds" mean, in the case of a political  
20 committee or candidate, the balance of contributions that remain in  
21 the possession or control of that committee or candidate subsequent  
22 to the election for which the contributions were received, and that  
23 are in excess of the amount necessary to pay remaining debts incurred  
24 by the committee or candidate with respect to that election. In the  
25 case of a continuing political committee, "surplus funds" mean those  
26 contributions remaining in the possession or control of the committee  
27 that are in excess of the amount necessary to pay all remaining debts  
28 when it makes its final report under RCW 42.17A.255.

29 ~~((47))~~ (48) "Treasurer" and "deputy treasurer" mean the  
30 individuals appointed by a candidate or political committee, pursuant  
31 to RCW 42.17A.210, to perform the duties specified in that section.

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

34 The commission shall provide a link on its web site to a  
35 searchable database on the web site of the federal election  
36 commission containing information on organizations under section 527  
37 of the internal revenue code of 1986.

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

3        (1)(a)    An incidental committee must file a statement of  
4 organization with the commission within two weeks after the date the  
5 committee first:

6            (i)    Has the expectation of making contributions or expenditures  
7 of at least twenty-five thousand dollars in a calendar year in any  
8 election campaign, or to a political committee; and

9            (ii)    Must disclose a contribution under RCW 42.17A.240(2)(d).

10        (b)    If an incidental committee first meets the criteria requiring  
11 filing a statement of organization as specified in (a) of this  
12 subsection in the last three weeks before an election, then it must  
13 file the statement of organization within three business days.

14        (c)    An incidental committee that does not make contributions or  
15 expenditures in the amounts specified in (a) of this subsection is  
16 not required to file a statement of organization with the commission.

17        (2)    The statement of organization shall include but not be  
18 limited to:

19            (a)    The name and address of the committee;

20            (b)    The names and addresses of all related or affiliated  
21 political or incidental committees or other persons, and the nature  
22 of the relationship or affiliation;

23            (c)    The names, addresses, and titles of its officers; or if it  
24 has no officers, the names, addresses, and titles of its responsible  
25 leaders and the name of the person designated as the treasurer of the  
26 incidental committee;

27            (d)    The name, office sought, and party affiliation of each  
28 candidate whom the committee is supporting or opposing if the  
29 committee contributes directly to a candidate and, if donating to a  
30 political committee, the name and address of that political  
31 committee;

32            (e)    The ballot proposition concerned, if any, and whether the  
33 committee is in favor of or opposed to such proposition; and

34            (f)    Such other information as the commission may by rule  
35 prescribe, in keeping with the policies and purposes of this chapter.

36        (3)    Any material change in information previously submitted in a  
37 statement of organization shall be reported to the commission within  
38 the ten days following the change.

1       **Sec. 5.** RCW 42.17A.235 and 2011 c 60 s 23 are each amended to  
2 read as follows:

3       (1) In addition to the information required under RCW 42.17A.205  
4 and 42.17A.210, on the day the treasurer is designated, each  
5 candidate or political committee, except for incidental committees,  
6 must file with the commission a report of all contributions received  
7 and expenditures made prior to that date, if any. In addition to the  
8 information required under RCW 42.17A.205 and 42.17A.210, on the day  
9 an incidental committee files a statement of organization with the  
10 commission, each incidental committee must file with the commission a  
11 report of the ten largest aggregate contributions received in the  
12 current calendar year from a single person of ten thousand dollars or  
13 greater, including any persons tied as the tenth largest source of  
14 funds, if any, and all aggregate contributions received in the  
15 current calendar year from a single person of one hundred thousand  
16 dollars or greater.

17       (2) Each treasurer of a political committee or incidental  
18 committee required to file a statement of organization under section  
19 4 of this act shall file with the commission a report containing the  
20 information required by RCW 42.17A.240 at the following intervals:

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

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

24       (c) On the tenth day of each month in which no other reports are  
25 required to be filed under this section only if the committee has  
26 received a contribution or made an expenditure in the preceding  
27 calendar month and either the total contributions received or total  
28 expenditures made since the last such report exceed two hundred  
29 dollars. An incidental committee must file the report required by  
30 this subsection (2) only if there has been a change in its ten  
31 largest contributors over ten thousand dollars during the current  
32 calendar year, including any persons tied as the tenth largest  
33 contributor, or if a person not previously listed in a report  
34 required under this subsection (2) has contributed one hundred  
35 thousand dollars or more in aggregate to the incidental committee  
36 during the calendar year.

37       The report filed twenty-one days before the election shall report  
38 all contributions received and expenditures made as of the end of one  
39 business day before the date of the report. The report filed seven  
40 days before the election shall report all contributions received and

1 expenditures made as of the end of one business day before the date  
2 of the report. Reports filed on the tenth day of the month shall  
3 report all contributions received and expenditures made from the  
4 closing date of the last report filed through the last day of the  
5 month preceding the date of the current report.

6 (3) For the period beginning the first day of the fourth month  
7 preceding the date of the special election, or for the period  
8 beginning the first day of the fifth month before the date of the  
9 general election, and ending on the date of that special or general  
10 election, each Monday the treasurer of a political committee shall  
11 file with the commission a report of each bank deposit made during  
12 the previous seven calendar days. The report shall contain the name  
13 of each person contributing the funds and the amount contributed by  
14 each person. However, persons who contribute no more than twenty-five  
15 dollars in the aggregate are not required to be identified in the  
16 report. A copy of the report shall be retained by the treasurer for  
17 his or her records. In the event of deposits made by a deputy  
18 treasurer, the copy shall be forwarded to the treasurer for his or  
19 her records. Each report shall be certified as correct by the  
20 treasurer or deputy treasurer making the deposit.

21 (4) The treasurer or candidate of a political committee shall  
22 maintain books of account accurately reflecting all contributions and  
23 expenditures on a current basis within five business days of receipt  
24 or expenditure. During the eight days immediately preceding the date  
25 of the election the books of account shall be kept current within one  
26 business day. As specified in the committee's statement of  
27 organization filed under RCW 42.17A.205, the books of account must be  
28 open for public inspection by appointment at the designated place for  
29 inspections between 8:00 a.m. and 8:00 p.m. on any day from the  
30 eighth day immediately before the election through the day  
31 immediately before the election, other than Saturday, Sunday, or a  
32 legal holiday. It is a violation of this chapter for a candidate or  
33 political committee to refuse to allow and keep an appointment for an  
34 inspection to be conducted during these authorized times and days.  
35 The appointment must be allowed at an authorized time and day for  
36 such inspections that is within twenty-four hours of the time and day  
37 that is requested for the inspection.

38 (5) Copies of all reports filed pursuant to this section shall be  
39 readily available for public inspection by appointment, pursuant to  
40 subsection (4) of this section, at the principal headquarters or, if

1 there is no headquarters, at the address of the treasurer or such  
2 other place as may be authorized by the commission.

3 (6) The treasurer or candidate shall preserve books of account,  
4 bills, receipts, and all other financial records of the campaign or  
5 political committee for not less than five calendar years following  
6 the year during which the transaction occurred.

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

10 (8) When there is no outstanding debt or obligation, the campaign  
11 fund is closed, and the campaign is concluded in all respects or in  
12 the case of a political committee, the committee has ceased to  
13 function and has dissolved, the treasurer shall file a final report.  
14 Upon submitting a final report, the duties of the treasurer shall  
15 cease and there is no obligation to make any further reports.

16 (9) By December 31, 2015, the commission shall adopt rules for  
17 the dissolution of incidental committees.

18 **Sec. 6.** RCW 42.17A.240 and 2010 c 204 s 409 are each amended to  
19 read as follows:

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

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

24 (2) The name and address of each person who has made one or more  
25 contributions during the period, together with the money value and  
26 date of each contribution and the aggregate value of all  
27 contributions received from each person during the campaign, or in  
28 the case of a continuing political committee, the current calendar  
29 year, with the following exceptions:

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

32 (b) Income that results from a fund-raising activity conducted in  
33 accordance with RCW 42.17A.230 may be reported as one lump sum, with  
34 the exception of that portion received from persons whose names and  
35 addresses are required to be included in the report required by RCW  
36 42.17A.230;

37 (c) Contributions of no more than twenty-five dollars in the  
38 aggregate from any one person during the election campaign may be  
39 reported as one lump sum if the treasurer maintains a separate and

1 private list of the name, address, and amount of each such  
2 contributor; (~~and~~)

3 (d) Funds received by an incidental committee from any one person  
4 need not be reported unless:

5 (i) The person is one of the committee's ten largest sources of  
6 funds, including any persons tied as the tenth largest source of  
7 funds, during the current calendar year, and the aggregate funds  
8 received from that person during the current calendar year are ten  
9 thousand dollars or greater; or

10 (ii) The person contributed one hundred thousand dollars or more  
11 to the incidental committee during the current calendar year;

12 (e) The commission may suspend or modify reporting requirements  
13 for contributions to an incidental committee in cases of manifestly  
14 unreasonable hardship under RCW 42.17A.120; and

15 (f) The money value of contributions of postage (~~shall be~~) is  
16 the face value of the postage;

17 (3) Each loan, promissory note, or security instrument to be used  
18 by or for the benefit of the candidate or political committee made by  
19 any person, including the names and addresses of the lender and each  
20 person liable directly, indirectly or contingently and the date and  
21 amount of each such loan, promissory note, or security instrument;

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

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

26 (6) The name and address of each person to whom an expenditure  
27 was made in the aggregate amount of more than fifty dollars during  
28 the period covered by this report, the amount, date, and purpose of  
29 each expenditure, and the total sum of all expenditures;

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

36 (8) The name and address of any person and the amount owed for  
37 any debt, obligation, note, unpaid loan, or other liability in the  
38 amount of more than two hundred fifty dollars or in the amount of  
39 more than fifty dollars that has been outstanding for over thirty  
40 days;

- 1 (9) The surplus or deficit of contributions over expenditures;  
2 (10) The disposition made in accordance with RCW 42.17A.430 of  
3 any surplus funds; and  
4 (11) Any other information required by the commission by rule in  
5 conformance with the policies and purposes of this chapter.

6 **Sec. 7.** RCW 42.17A.250 and 2010 c 204 s 411 are each amended to  
7 read as follows:

8 ~~((1) An out-of-state))~~ A political committee ~~((organized for the~~  
9 ~~purpose of supporting or opposing candidates or ballot propositions~~  
10 ~~in another state that is not otherwise required to report under RCW~~  
11 ~~42.17A.205 through 42.17A.240 shall report as required in this~~  
12 ~~section when it makes an expenditure supporting or opposing a~~  
13 ~~Washington state candidate or political committee. The committee~~  
14 ~~shall file with the commission a statement disclosing:~~

15 ~~(a) Its name and address;~~

16 ~~(b) The purposes of the out-of-state committee;~~

17 ~~(c) The names, addresses, and titles of its officers or, if it~~  
18 ~~has no officers, the names, addresses, and the titles of its~~  
19 ~~responsible leaders;~~

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

24 ~~(e) The ballot proposition supported or opposed in the state of~~  
25 ~~Washington, if any, and whether the committee is in favor of or~~  
26 ~~opposed to that proposition;~~

27 ~~(f) The name and address of each person residing in the state of~~  
28 ~~Washington or corporation that has a place of business in the state~~  
29 ~~of Washington who has made one or more contributions in the aggregate~~  
30 ~~of more than twenty five dollars to the out-of-state committee during~~  
31 ~~the current calendar year, together with the money value and date of~~  
32 ~~the contributions;~~

33 ~~(g) The name, address, and employer of each person or corporation~~  
34 ~~residing outside the state of Washington who has made one or more~~  
35 ~~contributions in the aggregate of more than two thousand five hundred~~  
36 ~~fifty dollars to the out-of-state committee during the current~~  
37 ~~calendar year, together with the money value and date of the~~  
38 ~~contributions. Annually, the commission must modify the two thousand~~  
39 ~~five hundred fifty dollar limit in this subsection based on~~

1 ~~percentage change in the implicit price deflator for personal~~  
2 ~~consumption expenditures for the United States as published for the~~  
3 ~~most recent twelve-month period by the bureau of economic analysis of~~  
4 ~~the federal department of commerce;~~

5 ~~(h) The name and address of each person in the state of~~  
6 ~~Washington to whom an expenditure was made by the out-of-state~~  
7 ~~committee with respect to a candidate or political committee in the~~  
8 ~~aggregate amount of more than fifty dollars, the amount, date, and~~  
9 ~~purpose of the expenditure, and the total sum of the expenditures;~~  
10 ~~and~~

11 ~~(i) Any other information as the commission may prescribe by rule~~  
12 ~~in keeping with the policies and purposes of this chapter.~~

13 ~~(2) Each statement shall be filed no later than the tenth day of~~  
14 ~~the month following any month in which a contribution or other~~  
15 ~~expenditure reportable under subsection (1) of this section is made.~~  
16 ~~An out-of-state committee incurring an obligation to file additional~~  
17 ~~statements in a calendar year may satisfy the obligation by timely~~  
18 ~~filing reports that supplement previously filed information)) or~~  
19 ~~incidental committee organized outside the state of Washington is~~  
20 ~~subject to the same requirements under this chapter as a political~~  
21 ~~committee or incidental committee organized in the state of~~  
22 ~~Washington.~~

23 NEW SECTION. Sec. 8. This act may be known and cited as the  
24 dark money elimination act.

25 NEW SECTION. Sec. 9. If any provision of this act or its  
26 application to any person or circumstance is held invalid, the  
27 remainder of the act or the application of the provision to other  
28 persons or circumstances is not affected.

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