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**SUBSTITUTE HOUSE BILL 1732**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** House State Government & Tribal Affairs (originally sponsored by Representatives Kelley, Frockt, Eddy, Billig, Kirby, Goodman, Hasegawa, Stanford, Sequist, Green, Lias, Fitzgibbon, Blake, Dunshee, Rolfes, Miloscia, Finn, Sells, Kagi, Jacks, Ryu, Probst, Carlyle, Kenney, and Appleton)

READ FIRST TIME 02/17/11.

1       AN ACT Relating to campaign finance disclosure; amending RCW  
2 42.17A.105, 42.17A.320, and 42.17A.755; reenacting and amending RCW  
3 42.17A.005, 42.17A.205, and 42.17A.235; prescribing penalties; and  
4 providing an effective date.

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

6       **Sec. 1.** RCW 42.17A.005 and 2010 c 204 s 101 are each reenacted and  
7 amended to read as follows:

8       The definitions in this section apply throughout this chapter  
9 unless the context clearly requires otherwise.

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

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

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

5 (4) "Ballot proposition" means any "measure" as defined by RCW  
6 29A.04.091, or any initiative, recall, or referendum proposition  
7 proposed to be submitted to the voters of the state or any municipal  
8 corporation, political subdivision, or other voting constituency from  
9 and after the time when the proposition has been initially filed with  
10 the appropriate election officer of that constituency before its  
11 circulation for signatures.

12 (5) "Benefit" means a commercial, proprietary, financial, economic,  
13 or monetary advantage, or the avoidance of a commercial, proprietary,  
14 financial, economic, or monetary disadvantage.

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

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

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

22 (c) The county central committee or legislative district committee  
23 of a major political party. There may be only one legislative district  
24 committee for each party in each legislative district.

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

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

30 (b) Announces publicly or files for office;

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

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

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

1 (9) "Commercial advertiser" means any person who sells the service  
2 of communicating messages or producing printed material for broadcast  
3 or distribution to the general public or segments of the general public  
4 whether through the use of newspapers, magazines, television and radio  
5 stations, billboard companies, direct mail advertising companies,  
6 printing companies, or otherwise.

7 (10) "Commission" means the agency established under RCW  
8 42.17A.100.

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

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

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

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

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

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

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

37 (b) "Contribution" does not include:

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

3 (ii) Ordinary home hospitality;

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

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

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

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

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

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

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

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

37 (ix) The performance of ministerial functions by a person on behalf  
38 of two or more candidates or political committees either as volunteer

1 services defined in (b)(vi) of this subsection or for payment by the  
2 candidate or political committee for whom the services are performed as  
3 long as:

4 (A) The person performs solely ministerial functions;

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

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

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

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

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

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

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

1 (17) "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.

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

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

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

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

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

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

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

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

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

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

1           ~~((+ii+))~~ (B) In a news medium controlled by a person whose business  
2 is that news medium; and

3           ~~((+iii+))~~ (C) Not a medium controlled by a candidate or a political  
4 committee;

5           ~~((+d+))~~ (iv) Slate cards and sample ballots;

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

10          ~~((+f+))~~ (vi) Public service announcements;

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

16          ~~((+h+))~~ (viii) An expenditure by or contribution to the authorized  
17 committee of a candidate for state, local, or judicial office; or

18          ~~((+i+))~~ (ix) Any other communication exempted by the commission  
19 through rule consistent with the intent of this chapter.

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

34          ~~((+22+))~~ (21) "Final report" means the report described as a final  
35 report in RCW 42.17A.235(2).

36          ~~((+23+))~~ (22) "General election" for the purposes of RCW 42.17A.405  
37 means the election that results in the election of a person to a state  
38 or local office. It does not include a primary.

1           (~~(24)~~) (23) "Gift" has the definition in RCW 42.52.010.

2           (~~(25)~~) (24) "Immediate family" includes the spouse or domestic  
3 partner, dependent children, and other dependent relatives, if living  
4 in the household. For the purposes of the definition of "intermediary"  
5 in this section, "immediate family" means an individual's spouse or  
6 domestic partner, and child, stepchild, grandchild, parent, stepparent,  
7 grandparent, brother, half brother, sister, or half sister of the  
8 individual and the spouse or the domestic partner of any such person  
9 and a child, stepchild, grandchild, parent, stepparent, grandparent,  
10 brother, half brother, sister, or half sister of the individual's  
11 spouse or domestic partner and the spouse or the domestic partner of  
12 any such person.

13           (~~(26)~~) (25) "Incumbent" means a person who is in present  
14 possession of an elected office.

15           (~~(27)~~) (26) "Independent expenditure" means an expenditure that  
16 has each of the following elements:

17           (a) It is made in support of or in opposition to a candidate for  
18 office by a person who is not (i) a candidate for that office, (ii) an  
19 authorized committee of that candidate for that office, (iii) a person  
20 who has received the candidate's encouragement or approval to make the  
21 expenditure, if the expenditure pays in whole or in part for political  
22 advertising supporting that candidate or promoting the defeat of any  
23 other candidate or candidates for that office, or (iv) a person with  
24 whom the candidate has collaborated for the purpose of making the  
25 expenditure, if the expenditure pays in whole or in part for political  
26 advertising supporting that candidate or promoting the defeat of any  
27 other candidate or candidates for that office;

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

32           (c) The expenditure, alone or in conjunction with another  
33 expenditure or other expenditures of the same person in support of or  
34 opposition to that candidate, has a value of eight hundred dollars or  
35 more. A series of expenditures, each of which is under eight hundred  
36 dollars, constitutes one independent expenditure if their cumulative  
37 value is eight hundred dollars or more.



1        ~~((28))~~ (27)(a) "Intermediary" means an individual who transmits  
2 a contribution to a candidate or committee from another person unless  
3 the contribution is from the individual's employer, immediate family,  
4 or an association to which the individual belongs.

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

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

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

12       ~~((29))~~ (28) "Legislation" means bills, resolutions, motions,  
13 amendments, nominations, and other matters pending or proposed in  
14 either house of the state legislature, and includes any other matter  
15 that may be the subject of action by either house or any committee of  
16 the legislature and all bills and resolutions that, having passed both  
17 houses, are pending approval by the governor.

18       ~~((30))~~ (29) "Legislative office" means the office of a member of  
19 the state house of representatives or the office of a member of the  
20 state senate.

21       ~~((31))~~ (30) "Lobby" and "lobbying" each mean attempting to  
22 influence the passage or defeat of any legislation by the legislature  
23 of the state of Washington, or the adoption or rejection of any rule,  
24 standard, rate, or other legislative enactment of any state agency  
25 under the state administrative procedure act, chapter 34.05 RCW.  
26 Neither "lobby" nor "lobbying" includes an association's or other  
27 organization's act of communicating with the members of that  
28 association or organization.

29       ~~((32))~~ (31) "Lobbyist" includes any person who lobbies either in  
30 his or her own or another's behalf.

31       ~~((33))~~ (32) "Lobbyist's employer" means the person or persons by  
32 whom a lobbyist is employed and all persons by whom he or she is  
33 compensated for acting as a lobbyist.

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

37       ~~((35))~~ (34) "Participate" means that, with respect to a  
38 particular election, an entity:

1 (a) Makes either a monetary or in-kind contribution to a candidate;  
2 (b) Makes an independent expenditure or electioneering  
3 communication in support of or opposition to a candidate;

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

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

11 (e) Directly or indirectly collaborates or consults with a  
12 subsidiary corporation or local unit on matters relating to the support  
13 of or opposition to a candidate, including, but not limited to, the  
14 amount of a contribution, when a contribution should be given, and what  
15 assistance, services or independent expenditures, or electioneering  
16 communications, if any, will be made or should be made in support of or  
17 opposition to a candidate.

18 ~~((+36+))~~ (35) "Person" includes an individual, partnership, joint  
19 venture, public or private corporation, association, federal, state, or  
20 local governmental entity or agency however constituted, candidate,  
21 committee, political committee, political party, executive committee  
22 thereof, or any other organization or group of persons, however  
23 organized.

24 ~~((+37+))~~ (36) "Political advertising" includes any advertising  
25 displays, newspaper ads, billboards, signs, brochures, articles,  
26 tabloids, flyers, letters, radio or television presentations, or other  
27 means of mass communication, used for the purpose of appealing,  
28 directly or indirectly, for votes or for financial or other support or  
29 opposition in any election campaign.

30 ~~((+38+))~~ (37) "Political committee" means any person (except a  
31 candidate or an individual dealing with his or her own funds or  
32 property) having the expectation of receiving contributions or making  
33 expenditures in support of, or opposition to, any candidate or any  
34 ballot proposition.

35 ~~((+39+))~~ (38) "Primary" for the purposes of RCW 42.17A.405 means  
36 the procedure for nominating a candidate to state or local office under  
37 chapter 29A.52 RCW or any other primary for an election that uses, in  
38 large measure, the procedures established in chapter 29A.52 RCW.

1        ~~((40))~~ (39) "Public office" means any federal, state, judicial,  
2 county, city, town, school district, port district, special district,  
3 or other state political subdivision elective office.

4        ~~((41))~~ (40) "Public record" has the definition in RCW 42.56.010.

5        ~~((42))~~ (41) "Recall campaign" means the period of time beginning  
6 on the date of the filing of recall charges under RCW 29A.56.120 and  
7 ending thirty days after the recall election.

8        ~~((43))~~ (42)(a) "Sponsor" for purposes of an electioneering  
9 communications, independent expenditures, or political advertising(~~(b)~~)  
10 means the person paying for the electioneering communication,  
11 independent expenditure, or political advertising. If a person acts as  
12 an agent for another or is reimbursed by another for the payment, the  
13 original source of the payment is the sponsor.

14        (b) "Sponsor," for purposes of a political committee, means any  
15 person, except a candidate committee, to whom any of the following  
16 applies:

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

20        (ii) The person collects contributions for the committee by use of  
21 payroll deductions or dues from its members, officers, or employees;

22        (iii) The person provides, alone or in combination with other  
23 organizations, all or nearly all of the administrative services for the  
24 committee; or

25        (iv) The person sets, alone or in combination with other  
26 organizations, the policies for soliciting contributions or making  
27 expenditures of committee funds.

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

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

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

35        (46) "Surplus funds" mean, in the case of a political committee or  
36 candidate, the balance of contributions that remain in the possession  
37 or control of that committee or candidate subsequent to the election  
38 for which the contributions were received, and that are in excess of

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

7 (47) "Treasurer" and "deputy treasurer" mean the individuals  
8 appointed by a candidate or political committee, pursuant to RCW  
9 42.17A.210, to perform the duties specified in that section.

10 **Sec. 2.** RCW 42.17A.105 and 2010 c 204 s 302 are each amended to  
11 read as follows:

12 The commission shall:

13 (1) Develop and provide forms for the reports and statements  
14 required to be made under this chapter;

15 (2) Prepare and publish a manual setting forth recommended uniform  
16 methods of bookkeeping and reporting for use by persons required to  
17 make reports and statements under this chapter;

18 (3) Compile and maintain a current list of all filed reports and  
19 statements;

20 (4) Investigate whether properly completed statements and reports  
21 have been filed within the times required by this chapter;

22 (5) Upon complaint or upon its own motion, investigate and report  
23 apparent violations of this chapter to the appropriate law enforcement  
24 authorities;

25 (6) Conduct a sufficient number of audits and field investigations  
26 to provide a statistically valid finding regarding the degree of  
27 compliance with the provisions of this chapter by all required filers.  
28 Any documents, records, reports, computer files, papers, or materials  
29 provided to the commission for use in conducting audits and  
30 investigations must be returned to the candidate, campaign, or  
31 political committee from which they were received within one week of  
32 the commission's completion of an audit or field investigation;

33 (7) Prepare and publish an annual report to the governor as to the  
34 effectiveness of this chapter and its enforcement by appropriate law  
35 enforcement authorities;

36 (8) Enforce this chapter according to the powers granted it by law;

1 (9) Adopt rules governing the arrangement, handling, indexing, and  
2 disclosing of those reports required by this chapter to be filed with  
3 a county auditor or county elections official. The rules shall:

4 (a) Ensure ease of access by the public to the reports; and

5 (b) Include, but not be limited to, requirements for indexing the  
6 reports by the names of candidates or political committees and by the  
7 ballot proposition for or against which a political committee is  
8 receiving contributions or making expenditures;

9 (10) Adopt rules to carry out the policies of chapter 348, Laws of  
10 2006. The adoption of these rules is not subject to the time  
11 restrictions of RCW 42.17A.110(1);

12 (11) Adopt administrative rules establishing requirements for filer  
13 participation in any system designed and implemented by the commission  
14 for the electronic filing of reports; (~~and~~)

15 (12) Maintain and make available to the public and political  
16 committees of this state a toll-free telephone number; and

17 (13) Request a copy of political advertising reportable under RCW  
18 42.17A.320 from the appropriate political committee when a request for  
19 such advertising has been made to the commission by the public. This  
20 subsection does not require the commission to keep copies of all  
21 political advertising reportable under this chapter.

22 **Sec. 3.** RCW 42.17A.205 and 2010 c 205 s 1 and 2010 c 204 s 402 are  
23 each reenacted and amended to read as follows:

24 (1) Every political committee shall file a statement of  
25 organization with the commission. The statement must be filed within  
26 two weeks after organization or within two weeks after the date the  
27 committee first has the expectation of receiving contributions or  
28 making expenditures in any election campaign, whichever is earlier. A  
29 political committee organized within the last three weeks before an  
30 election and having the expectation of receiving contributions or  
31 making expenditures during and for that election campaign shall file a  
32 statement of organization within three business days after its  
33 organization or when it first has the expectation of receiving  
34 contributions or making expenditures in the election campaign.

35 (2) The statement of organization shall include but not be limited  
36 to:

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

- 1           (b) The name and address of the committee sponsor, if the committee  
2 is a sponsored committee;
- 3           (c) The names and addresses of all related or affiliated committees  
4 or other persons, and the nature of the relationship or affiliation;
- 5           ~~((e))~~ (d) The names, addresses, and titles of its officers; or if  
6 it has no officers, the names, addresses, and titles of ~~((its~~  
7 ~~responsible leaders))~~ the individuals who direct the activities of the  
8 committee and make decisions regarding soliciting contributions or  
9 making expenditures of committee funds;
- 10           ~~((d))~~ (e) The name and address of its treasurer and depository;
- 11           ~~((e))~~ (f) A statement whether the committee is a continuing one;
- 12           ~~((f))~~ (g) The name, office sought, and party affiliation of each  
13 candidate whom the committee is supporting or opposing, and, if the  
14 committee is supporting the entire ticket of any party, the name of the  
15 party;
- 16           ~~((g))~~ (h) The ballot proposition concerned, if any, and whether  
17 the committee is in favor of or opposed to such proposition;
- 18           ~~((h))~~ (i) What distribution of surplus funds will be made, in  
19 accordance with RCW 42.17A.430, in the event of dissolution;
- 20           ~~((i))~~ (j) The street address of the place and the hours during  
21 which the committee will make available for public inspection its books  
22 of account and all reports filed in accordance with RCW 42.17A.235;
- 23           ~~((j))~~ (k) Such other information as the commission may by  
24 ~~((regulation))~~ rule prescribe, in keeping with the policies and  
25 purposes of this chapter;
- 26           ~~((k))~~ (l) The name, address, and title of any person who  
27 authorizes expenditures or makes decisions on behalf of the candidate  
28 or committee; and
- 29           ~~((l))~~ (m) The name, address, and title of any person who is paid  
30 by or is a volunteer for a candidate or political committee to perform  
31 ministerial functions and who performs ministerial functions on behalf  
32 of two or more candidates or committees.
- 33           (3) Any material change in information previously submitted in a  
34 statement of organization shall be reported to the commission within  
35 the ten days following the change.

36           **Sec. 4.** RCW 42.17A.235 and 2010 c 205 s 6 and 2010 c 204 s 408 are  
37 each reenacted and amended to read as follows:

1 (1) In addition to the information required under RCW 42.17A.205  
2 and 42.17A.210, on the day the treasurer is designated, each candidate  
3 or political committee must file with the commission a report of all  
4 contributions received and expenditures made prior to that date, if  
5 any.

6 (2) Each treasurer shall file with the commission a report  
7 containing the information required by RCW 42.17A.240 at the following  
8 intervals:

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

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

12 (c) On the tenth day of each month in which no other reports are  
13 required to be filed under this section only if the committee has  
14 received a contribution or made an expenditure in the preceding  
15 calendar month and either the total contributions received or total  
16 expenditures made since the last such report exceed two hundred  
17 dollars.

18 The report filed twenty-one days before the election shall report  
19 all contributions received and expenditures made as of the end of one  
20 business day before the date of the report. The report filed seven  
21 days before the election shall report all contributions received and  
22 expenditures made as of the end of one business day before the date of  
23 the report. Reports filed on the tenth day of the month shall report  
24 all contributions received and expenditures made from the closing date  
25 of the last report filed through the last day of the month preceding  
26 the date of the current report.

27 (3) For the period beginning the first day of the fourth month  
28 preceding the date of the special election, or for the period beginning  
29 the first day of the fifth month before the date of the general  
30 election, and ending on the date of that special or general election,  
31 each Monday the treasurer shall file with the commission a report of  
32 each bank deposit made during the previous seven calendar days. The  
33 report shall contain the name of each person contributing the funds and  
34 the amount contributed by each person. However, persons who contribute  
35 no more than twenty-five dollars in the aggregate are not required to  
36 be identified in the report. A copy of the report shall be retained by  
37 the treasurer for his or her records. In the event of deposits made by

1 a deputy treasurer, the copy shall be forwarded to the treasurer for  
2 his or her records. Each report shall be certified as correct by the  
3 treasurer or deputy treasurer making the deposit.

4 (4) The treasurer or candidate shall maintain books of account  
5 accurately reflecting all contributions and expenditures on a current  
6 basis within five business days of receipt or expenditure. During the  
7 eight days immediately preceding the date of the election the books of  
8 account shall be kept current within one business day. As specified in  
9 the committee's statement of organization filed under RCW 42.17A.205,  
10 the books of account must be open for public inspection by appointment  
11 at the designated place for inspections between 8:00 a.m. and 8:00 p.m.  
12 on any day from the eighth day immediately before the election through  
13 the day immediately before the election, other than Saturday, Sunday,  
14 or a legal holiday. It is a violation of this chapter for a candidate  
15 or political committee to refuse to allow and keep an appointment for  
16 an inspection to be conducted during these authorized times and days.  
17 The appointment must be allowed at an authorized time and day for such  
18 inspections that is within twenty-four hours of the time and day that  
19 is requested for the inspection.

20 (5) The treasurer or candidate must keep a sample copy of any  
21 political advertising sponsored by the committee or candidate for a  
22 period of five years. For each item of campaign material disseminated  
23 through the internet, the sample copy may be either a paper facsimile  
24 copy or an electronic copy that can be produced as a paper facsimile on  
25 request. These requirements do not apply to a billboard or a sign  
26 distributed by a political committee. The items in this subsection  
27 shall be available for public inspection of accounts pursuant to RCW  
28 42.17A.225. In addition, the treasurer or candidate must provide  
29 sample copies of any political advertising to the commission upon the  
30 request of the commission.

31 (6) Copies of all reports filed pursuant to this section and  
32 advertising materials retained pursuant to subsection (5) of this  
33 section shall be readily available for public inspection by  
34 appointment, pursuant to subsection ~~((+5))~~ (4) of this section, at the  
35 principal headquarters or, if there is no headquarters, at the address  
36 of the treasurer or such other place as may be authorized by the  
37 commission.



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

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

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

14 **Sec. 5.** RCW 42.17A.320 and 2010 c 204 s 505 are each amended to  
15 read as follows:

16 (1) ~~((All written political advertising, whether relating to  
17 candidates or ballot propositions, shall include the sponsor's name and  
18 address. All radio and television political advertising, whether  
19 relating to candidates or ballot propositions, shall include the  
20 sponsor's name. The use of an assumed name for the sponsor of  
21 electioneering communications, independent expenditures, or political  
22 advertising shall be unlawful. For partisan office, if a candidate has  
23 expressed a party or independent preference on the declaration of  
24 candidacy, that party or independent designation shall be clearly  
25 identified in electioneering communications, independent expenditures,  
26 or political advertising.~~

27 ~~(2) In addition to the information required by subsection (1) of  
28 this section, except as specifically addressed in subsections (4) and  
29 (5) of this section, all political advertising undertaken as an  
30 independent expenditure or an electioneering communication by a person  
31 or entity other than a bona fide political party must include as part  
32 of the communication:~~

33 ~~(a) The statement: "No candidate authorized this ad. It is paid  
34 for by (name, address, city, state)";~~

35 ~~(b) If the sponsor is a political committee, the statement: "Top  
36 Five Contributors," followed by a listing of the names of the five~~

1 persons or entities making the largest contributions in excess of seven  
2 hundred dollars reportable under this chapter during the twelve-month  
3 period before the date of the advertisement or communication; and

4 (c) If the sponsor is a political committee established,  
5 maintained, or controlled directly, or indirectly through the formation  
6 of one or more political committees, by an individual, corporation,  
7 union, association, or other entity, the full name of that individual  
8 or entity.

9 (3) The information required by subsections (1) and (2) of this  
10 section shall:

11 (a) Appear on the first page or fold of the written advertisement  
12 or communication in at least ten point type, or in type at least ten  
13 percent of the largest size type used in a written advertisement or  
14 communication directed at more than one voter, such as a billboard or  
15 poster, whichever is larger;

16 (b) Not be subject to the half-tone or screening process; and

17 (c) Be set apart from any other printed matter.

18 (4) In an independent expenditure or electioneering communication  
19 transmitted via television or other medium that includes a visual  
20 image, the following statement must either be clearly spoken, or appear  
21 in print and be visible for at least four seconds, appear in letters  
22 greater than four percent of the visual screen height, and have a  
23 reasonable color contrast with the background: "No candidate  
24 authorized this ad. Paid for by (name, city, state)." If the  
25 advertisement or communication is undertaken by a nonindividual other  
26 than a party organization, then the following notation must also be  
27 included: "Top Five Contributors" followed by a listing of the names  
28 of the five persons or entities making the largest contributions in  
29 excess of seven hundred dollars reportable under this chapter during  
30 the twelve-month period before the date of the advertisement.  
31 Abbreviations may be used to describe contributing entities if the full  
32 name of the entity has been clearly spoken previously during the  
33 broadcast advertisement.

34 (5) The following statement shall be clearly spoken in an  
35 independent expenditure or electioneering communication transmitted by  
36 a method that does not include a visual image: "No candidate  
37 authorized this ad. Paid for by (name, city, state)." If the  
38 independent expenditure or electioneering communication is undertaken

1 by a nonindividual other than a party organization, then the following  
2 statement must also be included: "Top Five Contributors" followed by  
3 a listing of the names of the five persons or entities making the  
4 largest contributions in excess of seven hundred dollars reportable  
5 under this chapter during the twelve-month period before the date of  
6 the advertisement. Abbreviations may be used to describe contributing  
7 entities if the full name of the entity has been clearly spoken  
8 previously during the broadcast advertisement.

9 (6) Political yard signs are exempt from the requirement of  
10 subsections (1) and (2) of this section that the name and address of  
11 the sponsor of political advertising be listed on the advertising. In  
12 addition, the public disclosure commission shall, by rule, exempt from  
13 the identification requirements of subsections (1) and (2) of this  
14 section forms of political advertising such as campaign buttons,  
15 balloons, pens, pencils, sky writing, inscriptions, and other forms of  
16 advertising where identification is impractical.

17 (7) For the purposes of this section, "yard sign" means any outdoor  
18 sign with dimensions no greater than eight feet by four feet.) All  
19 political advertising, except for campaigns subject to contribution  
20 limits, whether relating to candidates or ballot propositions, must  
21 include the name of the sponsor. If the advertising is in written  
22 form, it must also include the sponsor's address. The use of an  
23 assumed name for the advertising is unlawful.

24 (a) If the sponsor is a political committee established,  
25 maintained, or controlled directly, or indirectly through the formation  
26 of one or more political committees, by an individual, corporation,  
27 union, association, or other entity, the full name of the individual or  
28 entity must be listed as the sponsor.

29 (b) If the sponsor is a political committee or nonindividual, other  
30 than a party organization, the statement: "Top Five Contributors,"  
31 must be included followed by a listing of the names of the five persons  
32 or entities making the largest contributions in excess of seven hundred  
33 dollars reportable under this chapter during the twelve-month period  
34 before the date of the advertisement or communication.

35 (2) Political advertising must include the following:

36 (a) For partisan office, if a candidate has expressed a party or  
37 independent preference on the declaration of candidacy, that preference  
38 must be clearly identified in the advertisement.

1 (b) If the advertisement is undertaken by a person or entity other  
2 than a bona fide political party, the statement "No candidate  
3 authorized this advertisement. It is paid for by (name, address, city,  
4 state)."

5 (3) For written advertising, the information required under  
6 subsections (1) and (2) of this section must:

7 (a) Appear on the first page or fold of the written advertisement  
8 or communication in at least ten-point type, or in type at least ten  
9 percent of the largest size type used in a written advertisement or  
10 communication directed at more than one voter, such as a billboard or  
11 poster, whichever is larger;

12 (b) Not be subject to the half-tone or screening process; and

13 (c) Be set apart from any other printed matter.

14 (4)(a) If the advertising is a communication transmitted via  
15 television or other medium that includes a visual image, the sponsor  
16 identification and identification of the top five contributors must be  
17 clearly spoken, or appear in print and be visible for at least four  
18 seconds, with letters equal to or greater than four percent of the  
19 visual screen height.

20 (b) If the advertisement is communicated by a method that does not  
21 include a visual image, the requirements of subsections (1) and (2) of  
22 this section must be clearly spoken.

23 (5) Political yard signs are exempt from the requirements of  
24 subsections (1) and (2) of this section that the name and address of  
25 the sponsor of political advertising be listed on the advertising. In  
26 addition, the commission shall, by rule, exempt from the identification  
27 requirements of subsections (1) and (2) of this section forms of  
28 political advertising such as campaign buttons, balloons, pens,  
29 pencils, sky-writing, inscriptions, and other forms of advertising  
30 where identification is impractical.

31 (6) For the purposes of this section, "yard sign" means any outdoor  
32 sign with dimensions no greater than eight feet by four feet.

33 **Sec. 6.** RCW 42.17A.755 and 2010 c 204 s 1002 are each amended to  
34 read as follows:

35 (1) The commission may (a) determine whether an actual violation of  
36 this chapter has occurred; and (b) issue and enforce an appropriate  
37 order following such a determination.

1 (2) The commission, in cases where it chooses to determine whether  
2 an actual violation has occurred, shall hold a hearing pursuant to the  
3 administrative procedure act, chapter 34.05 RCW, to make a  
4 determination. Any order that the commission issues under this section  
5 shall be pursuant to such a hearing.

6 (3) In lieu of holding a hearing or issuing an order under this  
7 section, the commission may refer the matter to the attorney general or  
8 other enforcement agency as provided in RCW 42.17A.105.

9 (4) The person against whom an order is directed under this section  
10 shall be designated as the respondent. The order may require the  
11 respondent to cease and desist from the activity that constitutes a  
12 violation and in addition, or alternatively, may impose one or more of  
13 the remedies provided in RCW 42.17A.750 (2) through (5). No individual  
14 penalty assessed by the commission may exceed one thousand seven  
15 hundred dollars, and in any case where multiple violations are involved  
16 in a single complaint or hearing, the maximum aggregate penalty may not  
17 exceed four thousand two hundred dollars.

18 (5) The commission has the authority to waive a fine for a first-  
19 time violation. A second violation of the same rule by the same person  
20 or individual, regardless if the person or individual committed the  
21 violation for a different political committee, shall result in a fine.  
22 Succeeding violations of the same rule shall result in successively  
23 increased fines.

24 (6) An order issued by the commission under this section shall be  
25 subject to judicial review under the administrative procedure act,  
26 chapter 34.05 RCW. If the commission's order is not satisfied and no  
27 petition for review is filed within thirty days, the commission may  
28 petition a court of competent jurisdiction of any county in which a  
29 petition for review could be filed under that section, for an order of  
30 enforcement. Proceedings in connection with the commission's petition  
31 shall be in accordance with RCW 42.17A.760.

32 NEW SECTION. **Sec. 7.** This act takes effect January 1, 2012.

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