
HOUSE BILL 1835

State of Washington

65th Legislature

2017 Regular Session

By Representatives Dolan, Jenkins, and Doglio; by request of Public Disclosure Commission

1 AN ACT Relating to updating inflationary adjustments in campaign
2 finance laws; amending RCW 42.17A.125 and 42.17A.475; and reenacting
3 and amending RCW 42.17A.005.

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

5 **Sec. 1.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to
6 read as follows:

7 (1) At the beginning of each even-numbered calendar year, the
8 commission shall increase or decrease the dollar amounts in RCW
9 (~~42.17A.005(26),~~) 42.17A.405, 42.17A.410, 42.17A.445(3),
10 (~~42.17A.475,~~) and 42.17A.630(1) based on changes in economic
11 conditions as reflected in the inflationary index recommended by the
12 office of financial management. The new dollar amounts established by
13 the commission under this section shall be rounded off to amounts as
14 judged most convenient for public understanding and so as to be
15 within ten percent of the target amount equal to the base amount
16 provided in this chapter multiplied by the increase in the
17 inflationary index since July 2008.

18 (2) The commission may revise, at least once every five years but
19 no more often than every two years, the monetary reporting thresholds
20 and reporting code values of this chapter. The revisions shall be
21 only for the purpose of recognizing economic changes as reflected by

1 an inflationary index recommended by the office of financial
2 management. The revisions shall be guided by the change in the index
3 for the period commencing with the month of December preceding the
4 last revision and concluding with the month of December preceding the
5 month the revision is adopted. As to each of the three general
6 categories of this chapter, reports of campaign finance, reports of
7 lobbyist activity, and reports of the financial affairs of elected
8 and appointed officials, the revisions shall equally affect all
9 thresholds within each category. The revisions authorized by this
10 subsection shall reflect economic changes from the time of the last
11 legislative enactment affecting the respective code or threshold.

12 (3) Revisions made in accordance with subsections (1) and (2) of
13 this section shall be adopted as rules under chapter 34.05 RCW.

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

16 The definitions in this section apply throughout this chapter
17 unless the context clearly requires otherwise.

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

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

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

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

1 (5) "Benefit" means a commercial, proprietary, financial,
2 economic, or monetary advantage, or the avoidance of a commercial,
3 proprietary, financial, economic, or monetary disadvantage.

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

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

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

11 (c) The county central committee or legislative district
12 committee of a major political party. There may be only one
13 legislative district committee for each party in each legislative
14 district.

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

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

21 (b) Announces publicly or files for office;

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

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

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

30 (9) "Commercial advertiser" means any person who sells the
31 service of communicating messages or producing printed material for
32 broadcast or distribution to the general public or segments of the
33 general public whether through the use of newspapers, magazines,
34 television and radio stations, billboard companies, direct mail
35 advertising companies, printing companies, or otherwise.

36 (10) "Commission" means the agency established under RCW
37 42.17A.100.

38 (11) "Compensation" unless the context requires a narrower
39 meaning, includes payment in any form for real or personal property
40 or services of any kind. For the purpose of compliance with RCW

1 42.17A.710, "compensation" does not include per diem allowances or
2 other payments made by a governmental entity to reimburse a public
3 official for expenses incurred while the official is engaged in the
4 official business of the governmental entity.

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

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

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

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

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

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

26 (b) "Contribution" does not include:

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

29 (ii) Ordinary home hospitality;

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

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

39 (v) An internal political communication primarily limited to the
40 members of or contributors to a political party organization or

1 political committee, or to the officers, management staff, or
2 stockholders of a corporation or similar enterprise, or to the
3 members of a labor organization or other membership organization;

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

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

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

17 (A) A political party or caucus political committee if the person
18 paying for the services is the regular employer of the person
19 rendering such services; or

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

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

29 (A) The person performs solely ministerial functions;

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

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

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

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

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

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

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

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

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

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

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

1 (ii) Is broadcast, transmitted, mailed, erected, distributed, or
2 otherwise published within sixty days before any election for that
3 office in the jurisdiction in which the candidate is seeking
4 election; and

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

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

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

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

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

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

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

24 (C) Not a medium controlled by a candidate or a political
25 committee;

26 (iv) Slate cards and sample ballots;

27 (v) Advertising for books, films, dissertations, or similar works
28 (A) written by a candidate when the candidate entered into a contract
29 for such publications or media at least twelve months before becoming
30 a candidate, or (B) written about a candidate;

31 (vi) Public service announcements;

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

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

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

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

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

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

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

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

33 (25) "Incumbent" means a person who is in present possession of
34 an elected office.

35 (26) "Independent expenditure" means an expenditure that has each
36 of the following elements:

37 (a) It is made in support of or in opposition to a candidate for
38 office by a person who is not (i) a candidate for that office, (ii)
39 an authorized committee of that candidate for that office, (iii) a
40 person who has received the candidate's encouragement or approval to

1 make the expenditure, if the expenditure pays in whole or in part for
2 political advertising supporting that candidate or promoting the
3 defeat of any other candidate or candidates for that office, or (iv)
4 a person with whom the candidate has collaborated for the purpose of
5 making the expenditure, if the expenditure pays in whole or in part
6 for political advertising supporting that candidate or promoting the
7 defeat of any other candidate or candidates for that office;

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

12 (c) The expenditure, alone or in conjunction with another
13 expenditure or other expenditures of the same person in support of or
14 opposition to that candidate, has a value of (~~eight hundred~~) one
15 thousand dollars or more. A series of expenditures, each of which is
16 under (~~eight hundred~~) one thousand dollars, constitutes one
17 independent expenditure if their cumulative value is (~~eight~~
18 ~~hundred~~) one thousand dollars or more.

19 (27)(a) "Intermediary" means an individual who transmits a
20 contribution to a candidate or committee from another person unless
21 the contribution is from the individual's employer, immediate family,
22 or an association to which the individual belongs.

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

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

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

30 (28) "Legislation" means bills, resolutions, motions, amendments,
31 nominations, and other matters pending or proposed in either house of
32 the state legislature, and includes any other matter that may be the
33 subject of action by either house or any committee of the legislature
34 and all bills and resolutions that, having passed both houses, are
35 pending approval by the governor.

36 (29) "Legislative office" means the office of a member of the
37 state house of representatives or the office of a member of the state
38 senate.

39 (30) "Lobby" and "lobbying" each mean attempting to influence the
40 passage or defeat of any legislation by the legislature of the state

1 of Washington, or the adoption or rejection of any rule, standard,
2 rate, or other legislative enactment of any state agency under the
3 state administrative procedure act, chapter 34.05 RCW. Neither
4 "lobby" nor "lobbying" includes an association's or other
5 organization's act of communicating with the members of that
6 association or organization.

7 (31) "Lobbyist" includes any person who lobbies either in his or
8 her own or another's behalf.

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

12 (33) "Ministerial functions" means an act or duty carried out as
13 part of the duties of an administrative office without exercise of
14 personal judgment or discretion.

15 (34) "Participate" means that, with respect to a particular
16 election, an entity:

17 (a) Makes either a monetary or in-kind contribution to a
18 candidate;

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

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

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

28 (e) Directly or indirectly collaborates or consults with a
29 subsidiary corporation or local unit on matters relating to the
30 support of or opposition to a candidate((~~7~~)) including, but not
31 limited to, the amount of a contribution, when a contribution should
32 be given, and what assistance, services or independent expenditures,
33 or electioneering communications, if any, will be made or should be
34 made in support of or opposition to a candidate.

35 (35) "Person" includes an individual, partnership, joint venture,
36 public or private corporation, association, federal, state, or local
37 governmental entity or agency however constituted, candidate,
38 committee, political committee, political party, executive committee
39 thereof, or any other organization or group of persons, however
40 organized.

1 (36) "Political advertising" includes any advertising displays,
2 newspaper ads, billboards, signs, brochures, articles, tabloids,
3 flyers, letters, radio or television presentations, or other means of
4 mass communication, used for the purpose of appealing, directly or
5 indirectly, for votes or for financial or other support or opposition
6 in any election campaign.

7 (37) "Political committee" means any person (except a candidate
8 or an individual dealing with his or her own funds or property)
9 having the expectation of receiving contributions or making
10 expenditures in support of, or opposition to, any candidate or any
11 ballot proposition.

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

16 (39) "Public office" means any federal, state, judicial, county,
17 city, town, school district, port district, special district, or
18 other state political subdivision elective office.

19 (40) "Public record" has the definition in RCW 42.56.010.

20 (41) "Recall campaign" means the period of time beginning on the
21 date of the filing of recall charges under RCW 29A.56.120 and ending
22 thirty days after the recall election.

23 (42)(a) "Sponsor" for purposes of an electioneering
24 communications, independent expenditures, or political advertising
25 means the person paying for the electioneering communication,
26 independent expenditure, or political advertising. If a person acts
27 as an agent for another or is reimbursed by another for the payment,
28 the original source of the payment is the sponsor.

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

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

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

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

1 (44) "State office" means state legislative office or the office
2 of governor, lieutenant governor, secretary of state, attorney
3 general, commissioner of public lands, insurance commissioner,
4 superintendent of public instruction, state auditor, or state
5 treasurer.

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

7 (46) "Surplus funds" mean, in the case of a political committee
8 or candidate, the balance of contributions that remain in the
9 possession or control of that committee or candidate subsequent to
10 the election for which the contributions were received, and that are
11 in excess of the amount necessary to pay remaining debts incurred by
12 the committee or candidate with respect to that election. In the case
13 of a continuing political committee, "surplus funds" mean those
14 contributions remaining in the possession or control of the committee
15 that are in excess of the amount necessary to pay all remaining debts
16 when it makes its final report under RCW 42.17A.255.

17 (47) "Treasurer" and "deputy treasurer" mean the individuals
18 appointed by a candidate or political committee, pursuant to RCW
19 42.17A.210, to perform the duties specified in that section.

20 **Sec. 3.** RCW 42.17A.475 and 2010 c 204 s 611 are each amended to
21 read as follows:

22 (1) A person may not make a contribution of more than ((~~eighty~~))
23 one hundred dollars, other than an in-kind contribution, except by a
24 written instrument containing the name of the donor and the name of
25 the payee.

26 (2) A political committee may not make a contribution, other than
27 in-kind, except by a written instrument containing the name of the
28 donor and the name of the payee.

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