
SUBSTITUTE HOUSE BILL 2772

State of Washington

66th Legislature

2020 Regular Session

By House State Government & Tribal Relations (originally sponsored by Representatives Walsh, Hudgins, and Pollet; by request of Public Disclosure Commission)

1 AN ACT Relating to the administration of election campaign
2 activities and reporting statements of financial affairs; amending
3 RCW 42.17A.005, 42.17A.105, 42.17A.700, 42.17A.710, and 42.17A.020;
4 adding a new section to chapter 42.17A RCW; and declaring an
5 emergency.

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

7 **Sec. 1.** RCW 42.17A.005 and 2019 c 428 s 3 are each amended to
8 read as follows:

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

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

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

20 (3) "Authorized committee" means the political committee
21 authorized by a candidate, or by the public official against whom

1 recall charges have been filed, to accept contributions or make
2 expenditures on behalf of the candidate or public official.

3 (4) "Ballot proposition" means any (~~"measure" as defined by RCW~~
4 ~~29A.04.091, or any initiative, recall, or referendum~~) proposition
5 proposed to be submitted to the voters (~~of the state or any~~
6 ~~municipal corporation, political subdivision, or other voting~~
7 ~~constituency from and after~~). For purposes of this chapter, a
8 proposition is considered proposed at the time when (~~the proposition~~
9 ~~has been~~) it is initially filed with the appropriate election
10 (~~officer of that constituency before its circulation for~~
11 ~~signatures~~) official, or is initially circulated for signatures,
12 whichever occurs first. Reporting requirements apply to expenditures
13 made from the point at which a proposition is considered proposed.

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

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

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

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

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

28 (7) "Books of account" means:

29 (a) In the case of a campaign or political committee, a ledger or
30 similar listing of contributions, expenditures, and debts, such as a
31 campaign or committee is required to file regularly with the
32 commission, current as of the most recent business day; or

33 (b) In the case of a commercial advertiser, details of political
34 advertising or electioneering communications provided by the
35 advertiser, including the names and addresses of persons from whom it
36 accepted political advertising or electioneering communications, the
37 exact nature and extent of the services rendered and the total cost
38 and the manner of payment for the services.

1 (8) "Candidate" means any individual who seeks nomination for
2 election or election to public office. An individual seeks nomination
3 or election when the individual first:

4 (a) Receives contributions or makes expenditures or reserves
5 space or facilities with intent to promote the individual's candidacy
6 for office;

7 (b) Announces publicly or files for office;

8 (c) Purchases commercial advertising space or broadcast time to
9 promote the individual's candidacy; or

10 (d) Gives consent to another person to take on behalf of the
11 individual any of the actions in (a) or (c) of this subsection.

12 (9) "Caucus political committee" means a political committee
13 organized and maintained by the members of a major political party in
14 the state senate or state house of representatives.

15 (10) "Commercial advertiser" means any person that sells the
16 service of communicating messages or producing material for broadcast
17 or distribution to the general public or segments of the general
18 public whether through brochures, fliers, newspapers, magazines,
19 television, radio, billboards, direct mail advertising, printing,
20 paid internet or digital communications, or any other means of mass
21 communications used for the purpose of appealing, directly or
22 indirectly, for votes or for financial or other support in any
23 election campaign.

24 (11) "Commission" means the agency established under RCW
25 42.17A.100.

26 (12) "Committee" unless the context indicates otherwise, includes
27 a political committee such as a candidate, ballot proposition,
28 recall, political, or continuing political committee.

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

36 (14) "Continuing political committee" means a political committee
37 that is an organization of continuing existence not limited to
38 participation in any particular election campaign or election cycle.

39 (15)(a) "Contribution" includes:

1 (i) A loan, gift, deposit, subscription, forgiveness of
2 indebtedness, donation, advance, pledge, payment, transfer of funds,
3 or anything of value, including personal and professional services
4 for less than full consideration;

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

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

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

19 (b) "Contribution" does not include:

20 (i) Accrued interest on money deposited in a political or
21 incidental committee's account;

22 (ii) Ordinary home hospitality;

23 (iii) A contribution received by a candidate or political or
24 incidental committee that is returned to the contributor within ten
25 business days of the date on which it is received by the candidate or
26 political or incidental committee;

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

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

37 (vi) The rendering of personal services of the sort commonly
38 performed by volunteer campaign workers, or incidental expenses
39 personally incurred by volunteer campaign workers not in excess of
40 fifty dollars personally paid for by the worker. "Volunteer

1 services," for the purposes of this subsection, means services or
2 labor for which the individual is not compensated by any person;

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

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

10 (A) A political party or caucus political committee if the person
11 paying for the services is the regular employer of the person
12 rendering such services; or

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

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

22 (A) The person performs solely ministerial functions;

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

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

35 A person who performs ministerial functions under this subsection
36 (15)(b)(ix) is not considered an agent of the candidate or committee
37 as long as the person has no authority to authorize expenditures or
38 make decisions on behalf of the candidate or committee.

39 (c) Contributions other than money or its equivalent are deemed
40 to have a monetary value equivalent to the fair market value of the

1 contribution. Services or property or rights furnished at less than
2 their fair market value for the purpose of assisting any candidate or
3 political committee are deemed a contribution. Such a contribution
4 must be reported as an in-kind contribution at its fair market value
5 and counts towards any applicable contribution limit of the provider.

6 (16) "Depository" means a bank, mutual savings bank, savings and
7 loan association, or credit union doing business in this state.

8 (17) "Elected official" means any person elected at a general or
9 special election to any public office, and any person appointed to
10 fill a vacancy in any such office.

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

18 (19) "Election campaign" means any campaign in support of or in
19 opposition to a candidate for election to public office and any
20 campaign in support of, or in opposition to, a ballot proposition.

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

28 (21)(a) "Electioneering communication" means any broadcast,
29 cable, or satellite television, radio transmission, digital
30 communication, United States postal service mailing, billboard,
31 newspaper, or periodical that:

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

35 (ii) Is broadcast, transmitted electronically or by other means,
36 mailed, erected, distributed, or otherwise published within sixty
37 days before any election for that office in the jurisdiction in which
38 the candidate is seeking election; and

39 (iii) Either alone, or in combination with one or more
40 communications identifying the candidate by the same sponsor during

1 the sixty days before an election, has a fair market value or cost of
2 one thousand dollars or more.

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

4 (i) Usual and customary advertising of a business owned by a
5 candidate, even if the candidate is mentioned in the advertising when
6 the candidate has been regularly mentioned in that advertising
7 appearing at least twelve months preceding the candidate becoming a
8 candidate;

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

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

15 (A) Of interest to the public;

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

18 (C) Not a medium controlled by a candidate or a political or
19 incidental committee;

20 (iv) Slate cards and sample ballots;

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

25 (vi) Public service announcements;

26 (vii) An internal political communication primarily limited to
27 the members of or contributors to a political party organization or
28 political or incidental committee, or to the officers, management
29 staff, or stockholders of a corporation or similar enterprise, or to
30 the members of a labor organization or other membership organization;

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

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

35 (22) "Expenditure" includes a payment, contribution,
36 subscription, distribution, loan, advance, deposit, or gift of money
37 or anything of value, and includes a contract, promise, or agreement,
38 whether or not legally enforceable, to make an expenditure.
39 "Expenditure" also includes a promise to pay, a payment, or a
40 transfer of anything of value in exchange for goods, services,

1 property, facilities, or anything of value for the purpose of
2 assisting, benefiting, or honoring any public official or candidate,
3 or assisting in furthering or opposing any election campaign. For the
4 purposes of this chapter, agreements to make expenditures, contracts,
5 and promises to pay may be reported as estimated obligations until
6 actual payment is made. "Expenditure" shall not include the partial
7 or complete repayment by a candidate or political or incidental
8 committee of the principal of a loan, the receipt of which loan has
9 been properly reported.

10 (23) "Final report" means the report described as a final report
11 in RCW 42.17A.235 (11) (a).

12 (24) "General election" for the purposes of RCW 42.17A.405 means
13 the election that results in the election of a person to a state or
14 local office. It does not include a primary.

15 (25) "Gift" has the definition in RCW 42.52.010.

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

27 (27) "Incidental committee" means any nonprofit organization not
28 otherwise defined as a political committee but that may incidentally
29 make a contribution or an expenditure in excess of the reporting
30 thresholds in RCW 42.17A.235, directly or through a political
31 committee. Any nonprofit organization is not an incidental committee
32 if it is only remitting payments through the nonprofit organization
33 in an aggregated form and the nonprofit organization is not required
34 to report those payments in accordance with this chapter.

35 (28) "Incumbent" means a person who is in present possession of
36 an elected office.

37 (29) (a) "Independent expenditure" means an expenditure that has
38 each of the following elements:

39 (i) It is made in support of or in opposition to a candidate for
40 office by a person who is not:

- 1 (A) A candidate for that office;
2 (B) An authorized committee of that candidate for that office;
3 and
4 (C) A person who has received the candidate's encouragement or
5 approval to make the expenditure, if the expenditure pays in whole or
6 in part for political advertising supporting that candidate or
7 promoting the defeat of any other candidate or candidates for that
8 office;

9 (ii) It is made in support of or in opposition to a candidate for
10 office by a person with whom the candidate has not collaborated for
11 the purpose of making the expenditure, if the expenditure pays in
12 whole or in part for political advertising supporting that candidate
13 or promoting the defeat of any other candidate or candidates for that
14 office;

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

19 (iv) The expenditure, alone or in conjunction with another
20 expenditure or other expenditures of the same person in support of or
21 opposition to that candidate, has a value of one thousand dollars or
22 more. A series of expenditures, each of which is under one thousand
23 dollars, constitutes one independent expenditure if their cumulative
24 value is one thousand dollars or more.

25 (b) "Independent expenditure" does not include: Ordinary home
26 hospitality; communications with journalists or editorial staff
27 designed to elicit a news item, feature, commentary, or editorial in
28 a regularly scheduled news medium that is of primary interest to the
29 general public, controlled by a person whose business is that news
30 medium, and not controlled by a candidate or a political committee;
31 participation in the creation of a publicly funded voters pamphlet
32 statement in written or video form; an internal political
33 communication primarily limited to contributors to a political party
34 organization or political action committee, the officers, management
35 staff, and stockholders of a corporation or similar enterprise, or
36 the members of a labor organization or other membership organization;
37 or the rendering of personal services of the sort commonly performed
38 by volunteer campaign workers or incidental expenses personally
39 incurred by volunteer campaign workers not in excess of two hundred
40 fifty dollars personally paid for by the worker.

1 (30) (a) "Intermediary" means an individual who transmits a
2 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
6 purposes of the committee that the treasurer or candidate serves.

7 (c) A professional fund-raiser is not an intermediary if the
8 fund-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 (31) "Legislation" means bills, resolutions, motions, amendments,
13 nominations, and other matters pending or proposed in either house of
14 the state legislature, and includes any other matter that may be the
15 subject of action by either house or any committee of the legislature
16 and all bills and resolutions that, having passed both houses, are
17 pending approval by the governor.

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

21 (33) "Lobby" and "lobbying" each mean attempting to influence the
22 passage or defeat of any legislation by the legislature of the state
23 of Washington, or the adoption or rejection of any rule, standard,
24 rate, or other legislative enactment of any state agency under the
25 state administrative procedure act, chapter 34.05 RCW. Neither
26 "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 (34) "Lobbyist" includes any person who lobbies either on the
30 person's own or another's behalf.

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

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

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

39 (a) Makes either a monetary or in-kind contribution to a
40 candidate;

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

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

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

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

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

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

29 (40) "Political committee" means any person (except a candidate
30 or an individual dealing with the candidate's or individual's own
31 funds or property) having the expectation of receiving contributions
32 or making expenditures in support of, or opposition to, any candidate
33 or any ballot proposition.

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

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

1 (43) "Public record" has the definition in RCW 42.56.010.

2 (44) "Recall campaign" means the period of time beginning on the
3 date of the filing of recall charges under RCW 29A.56.120 and ending
4 thirty days after the recall election.

5 (45) "Remediable violation" means any violation of this chapter
6 that:

7 (a) Involved expenditures or contributions totaling no more than
8 the contribution limits set out under RCW 42.17A.405(2) per election,
9 or one thousand dollars if there is no statutory limit;

10 (b) Occurred:

11 (i) More than thirty days before an election, where the
12 commission entered into an agreement to resolve the matter; or

13 (ii) At any time where the violation did not constitute a
14 material violation because it was inadvertent and minor or otherwise
15 has been cured and, after consideration of all the circumstances,
16 further proceedings would not serve the purposes of this chapter;

17 (c) Does not materially harm the public interest, beyond the harm
18 to the policy of this chapter inherent in any violation; and

19 (d) Involved:

20 (i) A person who:

21 (A) Took corrective action within five business days after the
22 commission first notified the person of noncompliance, or where the
23 commission did not provide notice and filed a required report within
24 twenty-one days after the report was due to be filed; and

25 (B) Substantially met the filing deadline for all other required
26 reports within the immediately preceding twelve-month period; or

27 (ii) A candidate who:

28 (A) Lost the election in question; and

29 (B) Did not receive contributions over one hundred times the
30 contribution limit in aggregate per election during the campaign in
31 question.

32 (46) (a) "Sponsor" for purposes of an electioneering
33 communications, independent expenditures, or political advertising
34 means the person paying for the electioneering communication,
35 independent expenditure, or political advertising. If a person acts
36 as an agent for another or is reimbursed by another for the payment,
37 the original source of the payment is the sponsor.

38 (b) "Sponsor," for purposes of a political or incidental
39 committee, means any person, except an authorized committee, to whom
40 any of the following applies:

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

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

7 (47) "Sponsored committee" means a committee, other than an
8 authorized committee, that has one or more sponsors.

9 (48) "State office" means state legislative office or the office
10 of governor, lieutenant governor, secretary of state, attorney
11 general, commissioner of public lands, insurance commissioner,
12 superintendent of public instruction, state auditor, or state
13 treasurer.

14 (49) "State official" means a person who holds a state office.

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

26 (51) "Technical correction" means the correction of a minor or
27 ministerial error in a required report that does not materially harm
28 the public interest and needs to be corrected for the report to be in
29 full compliance with the requirements of this chapter.

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

34 (53) "Violation" means a violation of this chapter that is not a
35 remediable violation, minor violation, or an error classified by the
36 commission as appropriate to address by a technical correction.

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

39 The commission shall:

- 1 (1) Develop and provide forms for the reports and statements
2 required to be made under this chapter;
- 3 (2) (~~Prepare and publish a manual setting forth~~) Provide
4 recommended uniform methods of (~~bookkeeping~~) recordkeeping and
5 reporting for use by persons required to make reports and statements
6 under this chapter;
- 7 (3) Compile and maintain a current list of all filed reports and
8 statements;
- 9 (4) Investigate whether properly completed statements and reports
10 have been filed within the times required by this chapter;
- 11 (5) Upon complaint or upon its own motion, investigate and report
12 apparent violations of this chapter to the appropriate law
13 enforcement authorities;
- 14 (6) Conduct a sufficient number of audits and field
15 investigations, as staff capacity permits without impacting the
16 timeliness of addressing alleged violations, to provide a
17 statistically valid finding regarding the degree of compliance with
18 the provisions of this chapter by all required filers. Any documents,
19 records, reports, computer files, papers, or materials provided to
20 the commission for use in conducting audits and investigations must
21 be returned to the candidate, campaign, or political committee from
22 which they were received within one week of the commission's
23 completion of an audit or field investigation;
- 24 (7) Prepare and publish an annual report to the governor as to
25 the effectiveness of this chapter and (~~its enforcement by~~
26 ~~appropriate law enforcement authorities~~) the work of the commission;
- 27 (8) Enforce this chapter according to the powers granted it by
28 law;
- 29 (9) (~~Adopt rules governing the arrangement, handling, indexing,~~
30 ~~and disclosing of those reports required by this chapter to be filed~~
31 ~~with a county auditor or county elections official. The rules shall:~~
32 ~~(a) Ensure ease of access by the public to the reports; and~~
33 ~~(b) Include, but not be limited to, requirements for indexing the~~
34 ~~reports by the names of candidates or political committees and by the~~
35 ~~ballot proposition for or against which a political committee is~~
36 ~~receiving contributions or making expenditures;~~
37 ~~(10))~~) Adopt rules to carry out the policies of chapter 348, Laws
38 of 2006. The adoption of these rules is not subject to the time
39 restrictions of RCW 42.17A.110(1); and

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

2 (c) Be set apart from any other printed matter. Except as
3 provided in (a) of this subsection, no text may be before, after, or
4 immediately adjacent to the information required by subsections (1)
5 and (2) of this section.

6 (5) In a communication that is being transmitted by television or
7 other medium that includes a visual image, the information required
8 by subsections (1) and (2) of this section must either:

9 (a) Be clearly spoken; or

10 (b) Appear in print and be visible for at least four seconds, in
11 letters greater than four percent of the visual screen height, with a
12 reasonable color contrast with the background.

13 (6) In a communication that does not include a visual image, the
14 information required by subsections (1) and (2) of this section must
15 be clearly spoken.

16 **Sec. 4.** RCW 42.17A.700 and 2019 c 428 s 35 are each amended to
17 read as follows:

18 (1) After January 1st and before April 15th of each year, every
19 elected official and every executive state officer (~~who served for~~
20 ~~any portion of the preceding year~~) shall electronically file with
21 the commission a statement of financial affairs for the preceding
22 calendar year (~~or for that portion of the year served~~). Any
23 official or officer in office for any period of time in a calendar
24 year, but not in office as of January 1st of the following year,
25 (~~may~~) must electronically file either within sixty days of leaving
26 office or during the January 1st through April 15th reporting period
27 of that following year. Such filing must include information for the
28 portion of the current calendar year for which the official or
29 officer was in office.

30 (2) Within two weeks of becoming a candidate, every candidate
31 shall file with the commission a statement of financial affairs for
32 the preceding twelve months. However, a candidate who already has an
33 existing obligation to file a statement for the preceding year must
34 report for that period.

35 (3) Within two weeks of appointment, every person appointed to a
36 vacancy in an elective office or executive state officer position
37 during the months of January through November shall file with the
38 commission a statement of financial affairs for the preceding twelve
39 months (~~(, except as provided in subsection (4) of this section)~~). For

1 appointments made in December, the appointee must file the statement
2 of financial affairs between January 1st and January 15th of the
3 immediate following year for the preceding twelve-month period ending
4 on December 31st.

5 ~~(4) ((A statement of a candidate or appointee filed during the
6 period from January 1st to April 15th shall cover the period from
7 January 1st of the preceding calendar year to the time of candidacy
8 or appointment if the filing of the statement would relieve the
9 individual of a prior obligation to file a statement covering the
10 entire preceding calendar year.~~

11 ~~(5))~~ No individual may be required to file more than once in any
12 calendar year.

13 ~~((6))~~ (5) Each statement of financial affairs filed under this
14 section shall be sworn as to its truth and accuracy.

15 ~~((7))~~ (6) Every elected official and every executive state
16 officer shall file with their statement of financial affairs a
17 statement certifying that they have read and are familiar with RCW
18 42.17A.555 or 42.52.180, whichever is applicable.

19 ~~((8))~~ (7) For the purposes of this section, the term "executive
20 state officer" includes those listed in RCW 42.17A.705.

21 ~~((9))~~ (8) This section does not apply to incumbents or
22 candidates for a federal office or the office of precinct committee
23 officer.

24 **Sec. 5.** RCW 42.17A.710 and 2019 c 428 s 36 are each amended to
25 read as follows:

26 ~~((1) The statement of financial affairs required by RCW
27 42.17A.700 shall disclose the following information for the reporting
28 individual and each member of the reporting individual's immediate
29 family:~~

30 ~~(a) Occupation, name of employer, and business address;~~

31 ~~(b) Each bank account, savings account, and insurance policy in
32 which a direct financial interest was held that exceeds twenty
33 thousand dollars at any time during the reporting period; each other
34 item of intangible personal property in which a direct financial
35 interest was held that exceeds two thousand dollars during the
36 reporting period; the name, address, and nature of the entity; and
37 the nature and highest value of each direct financial interest during
38 the reporting period;~~

1 ~~(c) The name and address of each creditor to whom the value of~~
2 ~~two thousand dollars or more was owed; the original amount of each~~
3 ~~debt to each creditor; the amount of each debt owed to each creditor~~
4 ~~as of the date of filing; the terms of repayment of each debt; and~~
5 ~~the security given, if any, for each such debt. Debts arising from a~~
6 ~~"retail installment transaction" as defined in chapter 63.14 RCW~~
7 ~~(retail installment sales act) need not be reported;~~

8 ~~(d) Every public or private office, directorship, and position~~
9 ~~held as trustee; except that an elected official or executive state~~
10 ~~officer need not report the elected official's or executive state~~
11 ~~officer's service on a governmental board, commission, association,~~
12 ~~or functional equivalent, when such service is part of the elected~~
13 ~~official's or executive state officer's official duties;~~

14 ~~(e) All persons for whom any legislation, rule, rate, or standard~~
15 ~~has been prepared, promoted, or opposed for current or deferred~~
16 ~~compensation. For the purposes of this subsection, "compensation"~~
17 ~~does not include payments made to the person reporting by the~~
18 ~~governmental entity for which the person serves as an elected~~
19 ~~official or state executive officer or professional staff member for~~
20 ~~the person's service in office; the description of such actual or~~
21 ~~proposed legislation, rules, rates, or standards; and the amount of~~
22 ~~current or deferred compensation paid or promised to be paid;~~

23 ~~(f) The name and address of each governmental entity,~~
24 ~~corporation, partnership, joint venture, sole proprietorship,~~
25 ~~association, union, or other business or commercial entity from whom~~
26 ~~compensation has been received in any form of a total value of two~~
27 ~~thousand dollars or more; the value of the compensation; and the~~
28 ~~consideration given or performed in exchange for the compensation;~~

29 ~~(g) The name of any corporation, partnership, joint venture,~~
30 ~~association, union, or other entity in which is held any office,~~
31 ~~directorship, or any general partnership interest, or an ownership~~
32 ~~interest of ten percent or more; the name or title of that office,~~
33 ~~directorship, or partnership; the nature of ownership interest; and:~~

34 ~~(i) With respect to a governmental unit in which the official seeks~~
35 ~~or holds any office or position, if the entity has received~~
36 ~~compensation in any form during the preceding twelve months from the~~
37 ~~governmental unit, the value of the compensation and the~~
38 ~~consideration given or performed in exchange for the compensation;~~

39 ~~and (ii) the name of each governmental unit, corporation,~~
40 ~~partnership, joint venture, sole proprietorship, association, union,~~

1 ~~or other business or commercial entity from which the entity has~~
2 ~~received compensation in any form in the amount of ten thousand~~
3 ~~dollars or more during the preceding twelve months and the~~
4 ~~consideration given or performed in exchange for the compensation. As~~
5 ~~used in (g) (ii) of this subsection, "compensation" does not include~~
6 ~~payment for water and other utility services at rates approved by the~~
7 ~~Washington state utilities and transportation commission or the~~
8 ~~legislative authority of the public entity providing the service.~~
9 ~~With respect to any bank or commercial lending institution in which~~
10 ~~is held any office, directorship, partnership interest, or ownership~~
11 ~~interest, it shall only be necessary to report either the name,~~
12 ~~address, and occupation of every director and officer of the bank or~~
13 ~~commercial lending institution and the average monthly balance of~~
14 ~~each account held during the preceding twelve months by the bank or~~
15 ~~commercial lending institution from the governmental entity for which~~
16 ~~the individual is an official or candidate or professional staff~~
17 ~~member, or all interest paid by a borrower on loans from and all~~
18 ~~interest paid to a depositor by the bank or commercial lending~~
19 ~~institution if the interest exceeds two thousand four hundred~~
20 ~~dollars;~~

21 ~~(h) A list, including legal or other sufficient descriptions as~~
22 ~~prescribed by the commission, of all real property in the state of~~
23 ~~Washington, the assessed valuation of which exceeds ten thousand~~
24 ~~dollars in which any direct financial interest was acquired during~~
25 ~~the preceding calendar year, and a statement of the amount and nature~~
26 ~~of the financial interest and of the consideration given in exchange~~
27 ~~for that interest;~~

28 ~~(i) A list, including legal or other sufficient descriptions as~~
29 ~~prescribed by the commission, of all real property in the state of~~
30 ~~Washington, the assessed valuation of which exceeds ten thousand~~
31 ~~dollars in which any direct financial interest was divested during~~
32 ~~the preceding calendar year, and a statement of the amount and nature~~
33 ~~of the consideration received in exchange for that interest, and the~~
34 ~~name and address of the person furnishing the consideration;~~

35 ~~(j) A list, including legal or other sufficient descriptions as~~
36 ~~prescribed by the commission, of all real property in the state of~~
37 ~~Washington, the assessed valuation of which exceeds ten thousand~~
38 ~~dollars in which a direct financial interest was held. If a~~
39 ~~description of the property has been included in a report previously~~

1 ~~filed, the property may be listed, for purposes of this subsection~~
2 ~~(1)(j), by reference to the previously filed report;~~

3 ~~(k) A list, including legal or other sufficient descriptions as~~
4 ~~prescribed by the commission, of all real property in the state of~~
5 ~~Washington, the assessed valuation of which exceeds twenty thousand~~
6 ~~dollars, in which a corporation, partnership, firm, enterprise, or~~
7 ~~other entity had a direct financial interest, in which corporation,~~
8 ~~partnership, firm, or enterprise a ten percent or greater ownership~~
9 ~~interest was held;~~

10 ~~(l) A list of each occasion, specifying date, donor, and amount,~~
11 ~~at which food and beverage in excess of fifty dollars was accepted~~
12 ~~under RCW 42.52.150(5);~~

13 ~~(m) A list of each occasion, specifying date, donor, and amount,~~
14 ~~at which items specified in RCW 42.52.010(9) (d) and (f) were~~
15 ~~accepted; and~~

16 ~~(n) Such other information as the commission may deem necessary~~
17 ~~in order to properly carry out the purposes and policies of this~~
18 ~~chapter, as the commission shall prescribe by rule.~~

19 ~~(2)(a) When judges, prosecutors, sheriffs, or their immediate~~
20 ~~family members are required to disclose real property that is the~~
21 ~~personal residence of the judge, prosecutor, or sheriff, the~~
22 ~~requirements of subsection (1)(h) through (k) of this section may be~~
23 ~~satisfied for that property by substituting:~~

24 ~~(i) The city or town;~~

25 ~~(ii) The type of residence, such as a single-family or~~
26 ~~multifamily residence, and the nature of ownership; and~~

27 ~~(iii) Such other identifying information the commission~~
28 ~~prescribes by rule for the mailing address where the property is~~
29 ~~located.~~

30 ~~(b) Nothing in this subsection relieves the judge, prosecutor, or~~
31 ~~sheriff of any other applicable obligations to disclose potential~~
32 ~~conflicts or to recuse oneself.~~

33 ~~(3)(a) Where an amount is required to be reported under~~
34 ~~subsection (1)(a) through (m) of this section, it may be reported~~
35 ~~within a range as provided in (b) of this subsection.~~

36 ~~(b)~~

Code A	Less than thirty thousand dollars;
Code B	At least thirty thousand dollars, but less than sixty thousand dollars;

Code C	At least sixty thousand dollars, but less than one hundred thousand dollars;
Code D	At least one hundred thousand dollars, but less than two hundred thousand dollars;
Code E	At least two hundred thousand dollars, but less than five hundred thousand dollars;
Code F	At least five hundred thousand dollars, but less than seven hundred and fifty thousand dollars;
Code G	At least seven hundred fifty thousand dollars, but less than one million dollars; or
Code H	One million dollars or more.

~~(c) An amount of stock may be reported by number of shares instead of by market value. No provision of this subsection may be interpreted to prevent any person from filing more information or more detailed information than required.~~

~~(4) Items of value given to an official's or employee's spouse, domestic partner, or family member are attributable to the official or employee, except the item is not attributable if an independent business, family, or social relationship exists between the donor and the spouse, domestic partner, or family member.)~~ The statement of financial affairs that an elected official and executive state officer must file under RCW 42.17A.700 is for the purpose of providing necessary information to the public for transparency and accountability about an official's personal financial interests to help ensure that the official is making decisions in the best interest of the public, not enhancing a personal financial interest, and to help identify potential conflicts of interest. The financial affairs statement, known as an "F-1," requires the disclosure of personal financial information of the filer and the immediate family members of the filer, which means spouse, or registered domestic partner, and dependents. The commission shall establish rules for the information that must be reported in the statement of financial affairs, and shall provide an electronic filing application.

(1) The statement of financial affairs must disclose financial information for the applicable reporting period within certain categories, as provided in this subsection. The commission shall

1 detail in rules the type of information required for each category,
2 and any additional information as necessary to carry out the purpose
3 and policies of this chapter.

4 (a) **Assets held.** The statement must include information regarding
5 the assets in which the filer or immediate family members held a
6 direct financial interest, including:

7 (i) Each bank account and insurance policy with a value of
8 twenty-five thousand dollars or more; and

9 (ii) Other intangible personal property with a value of ten
10 thousand dollars or more, such as business ownership, securities, and
11 retirement accounts.

12 (b) **Sources of income.** The statement must include information
13 regarding the sources of income received by the filer or immediate
14 family members with a value of two thousand five hundred dollars or
15 more. Such information includes:

16 (i) Payments received, including compensation for employment or
17 other consideration;

18 (ii) Government benefits received;

19 (iii) Pensions or other retirement income received; and

20 (iv) Income earned or provided from assets held by the filer or
21 immediate family member.

22 (c) **Debt.** The statement must include information regarding the
23 debt owed by the filer or immediate family members with a value of
24 two thousand five hundred dollars or more, including the creditor's
25 name, the original and present amount owed, the security given, and
26 the terms of repayment. Debts arising from a "retail installment
27 transaction" as defined in chapter 63.14 RCW, the retail installment
28 sales act, are not required to be reported.

29 (d) **Real property.** The statement must include information
30 regarding the direct financial interest in real property with a value
31 of fifteen thousand dollars or more that the filer or immediate
32 family members acquired, sold, or held during the reporting period.

33 (i) A judge, prosecutor, sheriff, or their immediate family
34 members is not required to disclose the address or legal description
35 of real property that is the personal residence of the judge,
36 prosecutor, or sheriff. It is sufficient to disclose the following
37 information regarding the personal residence of a judge, prosecutor,
38 or sheriff:

39 (A) The city or town;

1 (B) The type of residence, such as a single-family or multifamily
2 residence, and the nature of ownership; and

3 (C) Such other identifying information the commission prescribes
4 by rule for the mailing address where the property is located.

5 (ii) The limitation on reporting information regarding personal
6 residence may not be used to relieve a judge, prosecutor, or sheriff
7 of any other applicable obligations to disclose potential conflicts
8 or to recuse oneself.

9 (e) **Gifts and other payments.** The statement must include
10 information regarding gifts received by the filer, including:

11 (i) Food and beverages with a value of fifty dollars or more,
12 which were accepted in the ordinary course of meals where attendance
13 is related to the performance of official duties, as provided under
14 RCW 42.52.150(5);

15 (ii) Payments for reasonable expenses incurred in connection with
16 a speech, presentation, appearance, or trade mission made in an
17 official capacity, as provided under RCW 42.52.010(9)(d);

18 (iii) Items accepted for which the filer was authorized to accept
19 by law, as provided in RCW 42.52.010(9)(e); and

20 (iv) Payment attributable to attending seminars and educational
21 programs sponsored by a bona fide governmental or nonprofit
22 professional, educational, trade, or charitable association or
23 institution, as provided under RCW 42.52.010(9)(f).

24 (f) **Lobbying activities.** The statement must include information
25 regarding:

26 (i) Any individual or entity who provided compensation to the
27 filer or immediate family members to lobby, as defined in this
28 chapter, or otherwise outside the state, except in the filer's or
29 immediate family member's official service to a government entity;
30 and

31 (ii) Any affiliated entity under (g) of this subsection that
32 provided compensation to persons to lobby, as defined in this
33 chapter, or otherwise outside the state.

34 (g) **Businesses interests and associations.** The statement must
35 include information identifying each business, association, or other
36 entity with which the filer or immediate family member holds an
37 office or director position, or ownership interest of at least ten
38 percent. In addition, the information must include:

39 (i) The compensation of fifteen thousand dollars or more provided
40 to each identified entity;

1 (ii) The real property interest in the state of Washington of
2 twenty-five thousand dollars or more held by each identified entity
3 with which the filer or immediate family member holds at least a ten
4 percent ownership interest; and

5 (iii) The value of any payment to each identified entity from the
6 government unit in which the filer or immediate family member holds
7 or seeks an office or position, except for payment for water and
8 other utility services at rates approved by the authority of the
9 public entity providing the service.

10 (2) Where the disclosure of an amount is required within a
11 category of financial information, the commission may establish value
12 codes that allow for reporting monetary amounts within certain
13 ranges, instead of disclosing the actual amount.

14 **Sec. 6.** RCW 42.17A.020 and 1973 c 1 s 44 are each amended to
15 read as follows:

16 (1) All statements and reports filed under this chapter shall be
17 public records of the agency where they are filed, and shall be
18 available for public inspection and copying during normal business
19 hours at the expense of the person requesting copies, provided that
20 the charge for such copies shall not exceed actual cost to the
21 agency.

22 (2) Statements of financial affairs filed by a professional staff
23 member of the legislature pursuant to RCW 42.17A.700 are subject to
24 public disclosure upon request, but the commission may not post on
25 any web site any statements of financial affairs filed by a
26 professional staff member of the legislature. This subsection applies
27 to statements filed both before and after the effective date of this
28 section.

29 NEW SECTION. **Sec. 7.** Section 3 of this act is necessary for the
30 immediate preservation of the public peace, health, or safety, or
31 support of the state government and its existing public institutions,
32 and takes effect immediately.

--- END ---