

AN ACT Relating to the administration of reporting financial activities for political campaigns and public officials; amending RCW 42.17A.005, 42.17A.100, 42.17A.105, 42.17A.700, 42.17A.710, and 42.17A.785; and adding a new section to chapter 42.17A RCW.

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

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

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

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

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

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

(4) "Ballot proposition" means any (~~"measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum~~) proposition proposed to be submitted to the voters (~~(of the state or any municipal corporation, political subdivision, or other voting constituency from and after)~~). For purposes of this chapter, a proposition is considered proposed at the time when ((the proposition has been)) it is initially filed with the appropriate election ((officer of that constituency before its circulation for signatures)) official, or is initially circulated for signatures,

whichever occurs first. Reporting requirements apply to expenditures made from the point at which a proposition is considered proposed.

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

(6) "Bona fide political party" means:

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

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

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

(7) "Books of account" means:

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

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

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

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

(b) Announces publicly or files for office;

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

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

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

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

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

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

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

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

(15)(a) "Contribution" includes:

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

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

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

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

(b) "Contribution" does not include:

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

(ii) Ordinary home hospitality;

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

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

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

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

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

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

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

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

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

(A) The person performs solely ministerial functions;

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

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

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

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

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

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

(18) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the

qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.

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

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

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

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

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

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

(b) "Electioneering communication" does not include:

(i) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising

appearing at least twelve months preceding the candidate becoming a candidate;

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

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

(A) Of interest to the public;

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

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

(iv) Slate cards and sample ballots;

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

(vi) Public service announcements;

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

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

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

(22) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an

expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" shall not include the partial or complete repayment by a candidate or political or incidental committee of the principal of a loan, the receipt of which loan has been properly reported.

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

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

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

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

(27) "Incidental committee" means any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in excess of the reporting thresholds in RCW 42.17A.235, directly or through a political committee. Any nonprofit organization is not an incidental committee

if it is only remitting payments through the nonprofit organization in an aggregated form and the nonprofit organization is not required to report those payments in accordance with this chapter.

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

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

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

(A) A candidate for that office;

(B) An authorized committee of that candidate for that office;
and

(C) A person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;

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

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

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

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

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

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

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

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

(31) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee

of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

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

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

(34) "Lobbyist" includes any person who lobbies either on the person's own or another's behalf.

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

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

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

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

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

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

(d) Makes a recommendation regarding whether a candidate should be supported or opposed before a contribution is made by a

subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or

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

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

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

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

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

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

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

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

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

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

(b) Occurred:

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

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

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

(d) Involved:

(i) A person who:

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

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

(ii) A candidate who:

(A) Lost the election in question; and

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

(46) (a) "Sponsor" for purposes of an electioneering communications, independent expenditures, or political advertising

means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.

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

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

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

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

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

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

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

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

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

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

Sec. 2. RCW 42.17A.100 and 2019 c 428 s 6 are each amended to read as follows:

(1) The public disclosure commission is established. The commission shall be composed of five commissioners appointed by the governor, with the consent of the senate. The commission shall have the authority and duties as set forth in this chapter. All appointees shall be persons of the highest integrity and qualifications. No more than three commissioners shall have an identification with the same political party.

(2) The term of each commissioner shall be five years, which may continue until a successor is appointed, but may not exceed an additional twelve months. No commissioner is eligible for appointment to more than one full term. Any commissioner may be removed by the governor, but only upon grounds of neglect of duty or misconduct in office.

(3) (a) During a commissioner's tenure, the commissioner is prohibited from engaging in any of the following activities (~~either within or outside the state of Washington~~):

(i) Holding or campaigning for public elective office;

(ii) Serving as an officer of any political party or political committee;

~~(iii) ((Permitting the commissioner's name to be used in support of or in opposition to a candidate or proposition;~~

~~(iv) Soliciting or making contributions to a candidate or in support of or in opposition to any candidate or proposition;~~

~~(v)) Participating in any way in any election campaign over which the commission has jurisdiction;~~

(iv) For campaigns not within the jurisdiction of the commission that involve a candidate who is otherwise subject to the commission's jurisdiction, making contributions to or soliciting contributions for that candidate or permitting the commissioner's name to be used in support of that candidate; or

~~((vi))~~ (v) Lobbying the state legislature or any state agency as defined in RCW 42.17A.005, or, employing~~((7))~~ or assisting a lobbyist for such activity, except that a commissioner or the staff of the commission may lobby to the limited extent permitted by RCW 42.17A.635 on matters directly affecting this chapter.

(b) This subsection is not intended to prohibit a commissioner from participating in or supporting nonprofit or other organizations, in the commissioner's private capacity, to the extent such participation is not prohibited under (a) of this subsection.

(c) The provisions of this subsection do not relieve a commissioner of any applicable disqualification and recusal requirements.

(4) A vacancy on the commission shall be filled within thirty days of the vacancy by the governor, with the consent of the senate, and the appointee shall serve for the remaining term of the appointee's predecessor. A vacancy shall not impair the powers of the remaining commissioners to exercise all of the powers of the commission.

(5) Three commissioners shall constitute a quorum. The commission shall elect its own chair and adopt its own rules of procedure in the manner provided in chapter 34.05 RCW.

(6) Commissioners shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for travel expenses incurred while engaged in the business of the commission as provided in RCW 43.03.050 and 43.03.060. The compensation provided pursuant to this section shall not be considered salary for purposes of the provisions of any retirement system created under the laws of this state.

Sec. 3. RCW 42.17A.105 and 2010 c 204 s 302 are each amended to read as follows:

The commission shall:

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

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

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

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

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

(6) Conduct a sufficient number of audits and field investigations, as staff capacity permits without impacting the timeliness of addressing alleged violations, to provide a statistically valid finding regarding the degree of compliance with the provisions of this chapter by all required filers. Any documents, records, reports, computer files, papers, or materials provided to the commission for use in conducting audits and investigations must be returned to the candidate, campaign, or

political committee from which they were received within one week of the commission's completion of an audit or field investigation;

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

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

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

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

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

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

~~((11))~~ (10) Adopt administrative rules establishing requirements for filer participation in any system designed and implemented by the commission for the electronic filing of reports(~~;~~ and

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

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

(1) In addition to the disclosure requirements under RCW 42.17A.320 and 42.17A.350, any political advertising relating to a candidate that includes an endorsement must include a disclaimer if the endorsement was made in support ~~or opposition~~ of any individual, including the candidate, for a different election or a different

office from the election or office that is the subject of the advertisement.

(2) The disclaimer required in this section must clearly attribute the endorsement to the person or entity who made it, and the person, election, and office for which the endorsement was made. If the advertisement is first presented to the public after the period to declare as a candidate under RCW 29A.24.031, and the endorsement is about an individual who has not filed a declaration of candidacy under RCW 29A.24.031, or a write-in declaration of candidacy under RCW 29A.24.311, for the same election and office that is the subject of the advertisement, the disclaimer must include ~~a the following~~ statement: ~~that such individual~~ This person has not declared as a candidate or a write-in candidate as of (include the date of the initial publication), and that no votes for that this individual person will be counted unless that person they files a declaration as a write-in candidate."

(3) The disclaimer required in this section must:

(a) For any written advertisement communication, the disclaimer required must appear immediately next to the endorsement, in at least ten-point type, or in type at least ten percent of the largest size type used for the endorsement where directed at more than one voter, such as a billboard or poster, whichever is larger. The disclaimer may not use any half-tone or screening process;

(b) For television or other transmission that includes a visual image:

(i) Be clearly spoken immediately before or after the endorsement is displayed or spoken; or

(ii) Appear in print and be visible for at least four seconds, immediately before, during, or after the endorsement is displayed or spoken, in letters greater than four percent of the visual screen height, with a reasonable color contrast with the background; and

(c) For radio or other audio political advertising communication that does not include a visual image, be clearly spoken immediately

~~before or after the endorsement is spoken the disclaimer must clearly be communicated immediately before or after the endorsement.~~

Sec. 5. RCW 42.17A.700 and 2019 c 428 s 35 are each amended to read as follows:

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

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

(3) Within two weeks of appointment, every person appointed to a vacancy in an elective office or executive state officer position during the months of January through November shall file with the commission a statement of financial affairs for the preceding twelve months (~~(, except as provided in subsection (4) of this section)~~). For appointments made in December, the appointee must file the statement of financial affairs between January 1st and January 15th of the immediate following year for the preceding twelve-month period ending on December 31st.

(4) (~~A statement of a candidate or appointee filed during the period from January 1st to April 15th shall cover the period from~~

~~January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of the statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year.~~

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

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

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

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

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

Sec. 6. RCW 42.17A.710 and 2019 c 428 s 36 are each amended to read as follows:

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

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

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

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

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

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

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

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

~~directorship, or partnership; the nature of ownership interest; and:~~
~~(i) With respect to a governmental unit in which the official seeks or holds any office or position, if the entity has received compensation in any form during the preceding twelve months from the governmental unit, the value of the compensation and the consideration given or performed in exchange for the compensation; and (ii) the name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which the entity has received compensation in any form in the amount of ten thousand dollars or more during the preceding twelve months and the consideration given or performed in exchange for the compensation. As used in (g)(ii) of this subsection, "compensation" does not include payment for water and other utility services at rates approved by the Washington state utilities and transportation commission or the legislative authority of the public entity providing the service. With respect to any bank or commercial lending institution in which is held any office, directorship, partnership interest, or ownership interest, it shall only be necessary to report either the name, address, and occupation of every director and officer of the bank or commercial lending institution and the average monthly balance of each account held during the preceding twelve months by the bank or commercial lending institution from the governmental entity for which the individual is an official or candidate or professional staff member, or all interest paid by a borrower on loans from and all interest paid to a depositor by the bank or commercial lending institution if the interest exceeds two thousand four hundred dollars;~~

~~(h) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ten thousand dollars in which any direct financial interest was acquired during the preceding calendar year, and a statement of the amount and~~

~~nature of the financial interest and of the consideration given in exchange for that interest;~~

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

~~(j) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds ten thousand dollars in which a direct financial interest was held. If a description of the property has been included in a report previously filed, the property may be listed, for purposes of this subsection (1)(j), by reference to the previously filed report;~~

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

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

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

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

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

- ~~(i) The city or town;~~
- ~~(ii) The type of residence, such as a single-family or multifamily residence, and the nature of ownership; and~~
- ~~(iii) Such other identifying information the commission prescribes by rule for the mailing address where the property is located.~~

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

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

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

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

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

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

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

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

(ii) Government benefits received;

(iii) Pensions or other retirement income received; and

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

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

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

(i) A judge, prosecutor, sheriff, or their immediate family members is not required to disclose the address or legal description of real property that is the personal residence of the judge,

prosecutor, or sheriff. It is sufficient to disclose the following information regarding the personal residence of a judge, prosecutor, or sheriff:

(A) The city or town;

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

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

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

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

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

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

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

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

(f) Lobbying activities. The statement must include information regarding any individual or entity, including business interests and associations reported under (g) of this subsection, who provided compensation to the filer or immediate family members to lobby as defined in this chapter, or otherwise lobby outside the state. Such

information does not include compensation for the filer's or immediate family member's official service to a government entity.

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

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

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

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

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

Sec. 7. RCW 42.17A.785 and 2018 c 304 s 18 are each amended to read as follows:

(1) The public disclosure transparency account is created in the custody of the state treasury. All receipts from penalties collected pursuant to enforcement actions or settlements under this chapter, including any fees or costs, must be deposited into the account.

~~((Moneys in the account may be spent only after appropriation. Moneys in the account may be used only for the implementation of chapter 304, Laws of 2018 and duties under this chapter, and may not be used to supplant general fund appropriations to the commission.))~~

(2) Moneys in the account may be used only for the development and implementation of projects designated by the commission for the purpose of improving the usability, transparency, and accessibility of systems and information regarding campaign financing, lobbying activities, and the financial affairs of public officials and candidates, consistent with the purposes of this chapter. The commission shall approve and update the list of designated projects and include a description, the purpose, and projected cost of each project as part of the commission's regular review of its technology and related business projects strategic priorities plan.

(3) Moneys in the account may not be used for ongoing operating or enforcement expenses and are not intended to be and shall not be used to supplant general fund appropriations to the commission.

(4) Only the commission may authorize expenditures from the account. The account is not subject to appropriation.

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