



State of Washington PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

February 20, 2014

TO: Commission Members
FROM: Andrea McNamara Doyle
RE: 2014 Bills Relating to Lobbyist Reporting

Agenda Item

At the February 27 meeting, the Commission is scheduled to review the legislative proposals introduced or debated during the 2014 session addressing possible changes to lobbyist reporting of entertainment expenses.

Background

As part of its ongoing consideration of possible rule changes to lobbyist reporting requirements, the Commission has expressed interest in understanding what the legislature might be considering on the same or related topics. This memorandum provides a summary of the bills addressing this subject this session, along with copies of the bills.

Two new House bills and one Senate bill were introduced this session, but no public hearings were held on any of them. One related bill from last session has received renewed attention this year, but it does not directly address the manner in which lobbyists' entertainment expenses should be reported other than to require all lobbyist reports to be filed electronically so that they may be searchable through a database query system.

HB 2727 (Hunt) Reporting by lobbyists and lobbyists' employers.

This bill proposed to:

- Require lobbyists and their employers to file their lobbying reports electronically beginning in January of 2015.
- Raise the threshold from \$25 to \$75 per occasion when lobbyists must provide detailed reporting of entertainment expenditures, including the names of persons taking part and the per-person attribution of expenses.
- Provide for alternative reporting of reception expenses by lobbyists, where only the total cost of the event must be reported when all members of the legislature are invited.
- For entertainment events involving ten or more persons, allow expenses to be reported as an average per person cost, unless a legislator requested the actual cost consumed by the legislator be reported.

The bill was referred to the House Government Operations and Elections Committee but **no public hearing was scheduled.**

[HB 2768](#) (Hunt) *Reporting by lobbyists and lobbyists' employers.*

This bill is very similar to HB 2727, with the exception that it does not proposed to change the reporting threshold from \$25 to \$75 per occasion for detailed per person attribution of entertainment expenses. The bill would:

- Require lobbyists and their employers to file their lobbying reports electronically beginning in January of 2015.
- Provide for alternative reporting of reception expenses by lobbyists, where only the total cost of the event must be reported when all members of the legislature are invited.
- For entertainment events involving ten or more persons, allow expenses to be reported as an average per person cost, unless a legislator requested the actual cost consumed by the legislator be reported.

The bill was referred to the House Government Operations and Elections Committee but **no public hearing was scheduled.**

[SB 6414](#) (Fain) *Improving lobbyist reporting and disclosure.*

This bill would:

- Require certain agencies, lobbyists, and lobbyists' employers to file required PDC reports electronically beginning in January 2015.
- Require the appropriate ethics boards to define the limits of accepting gifts in the form of food or beverage (*i.e.*, define "infrequent")
- Require lobbyists who must report entertainment expenditures to pay a fee of two hundred dollars to the Commission each calendar year that they are required to report.
- Create the public disclosure electronic filing account for the PDC to use to develop, implement, and maintain its electronic filing applications and database query systems.

The bill was referred to the Senate Committee on Governmental Operation on January 24, but **no public hearing was scheduled.**

[E3SHB 1005](#) (Moeller) *Concerning PDC responsibilities and funding. Title revised for 3rd Substitute: Requiring certain campaign [sic] lobbying reports to be filed electronically.*

In 2013, this bill started out as a combination of the previously separate proposals concerning (1) imposing new filing fees and mandatory electronic filing for lobbyists with (2) transferring jurisdiction over the Ethics in Public Service Act from the Legislative and Executive Ethics Boards to the PDC. During the 2013 session, it was amended to remove the ethics merger but retained the filing fees and mandatory electronic filing provisions. It died last session in the House Rules Committee without being considered by the full House.

The bill was re-introduced and referred back to the House Appropriations Committee in 2014, where it was further amended on February 10 to remove the proposed filing fee. The amendment retained the mandatory electronic filing by lobbyists but changed the funding mechanism so that the funding for the replacing the PDC's e-filing system and creating a new database query system would be paid for by state general funds.

The bill passed the House unanimously after being further amended to remove the emergency clause and extend the effective date for the mandatory e-filing to January 1, 2016. A floor amendment was offered by the prime sponsor to put the filing fee back into the bill, on the grounds that the PDC should have a source of funding that is more independent than relying on general fund appropriations from the legislators the PDC regulates, but it was defeated. Reasons stated in opposition to the filing fee included: that the costs to develop and maintain the fee collection system were too high in relation to the amount of fees that could reasonably be collected, making it not cost-effective; and the availability of the lobbyist data is of broad benefit to the general public and ought to be supported by general tax dollars rather than fees specific to lobbyists.

After passing the House, the bill was referred to the Senate Governmental Operation Committee on February 19, but it has not been scheduled for a public hearing before the next applicable cutoff date.

Attachments: HB 2727, HB 2768, SB 6414, and E3SHB 1005

HOUSE BILL 2727

State of Washington 63rd Legislature 2014 Regular Session

By Representatives S. Hunt, Roberts, Ormsby, and Gregerson

Read first time 01/28/14. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to reporting by lobbyists and lobbyists' employers;
2 amending RCW 42.17A.615, 42.17A.710, and 42.17A.125; adding a new
3 section to chapter 42.17A RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the public is
6 entitled to complete disclosure regarding the influence of money in
7 politics. Therefore, the legislature intends to increase disclosure by
8 requiring electronic filing by lobbyists and lobbyists' employers.

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

11 (1) All agencies required to report under RCW 42.17A.635 must file
12 all reports required by this chapter electronically over the internet
13 as provided by the commission under RCW 42.17A.055.

14 (2) No later than January 1, 2015, all lobbyists and lobbyists'
15 employers required to file reports under RCW 42.17A.600, 42.17A.615,
16 42.17A.625, or 42.17A.630 must file all reports required by this
17 chapter electronically over the internet as provided by the commission
18 under RCW 42.17A.055.

1 **Sec. 3.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to
2 read as follows:

3 (1) Any lobbyist registered under RCW 42.17A.600 and any person who
4 lobbies shall file with the commission monthly reports of his or her
5 lobbying activities. The reports shall be made in the form and manner
6 prescribed by the commission and must be signed by the lobbyist. The
7 monthly report shall be filed within fifteen days after the last day of
8 the calendar month covered by the report.

9 (2) The monthly report shall contain:

10 (a) The totals of all expenditures for lobbying activities made or
11 incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's
12 employer during the period covered by the report. Expenditure totals
13 for lobbying activities shall be segregated according to financial
14 category, including compensation; food and refreshments; living
15 accommodations; advertising; travel; contributions; and other expenses
16 or services. Each individual expenditure of more than (~~twenty-five~~)
17 seventy-five dollars for entertainment shall be (~~identified by date,~~
18 ~~place, amount, and the names of all persons taking part in the~~
19 ~~entertainment, along with the dollar amount attributable to each~~
20 ~~person, including the lobbyist's portion~~) reported as follows:

21 (i) For legislative-related events in which all legislators are
22 invited, the date, place, total cost of the event;

23 (ii) For events in which ten or fewer individuals are invited,
24 excluding lobbyists, the date, place, and amount attributable to each
25 individual;

26 (iii) For events in which more than ten persons are invited,
27 excluding lobbyists, the date, place, and amount attributable to each
28 individual. It is permissible to average the cost for each attendee;
29 however, if a legislator attends such an event, he or she may request
30 that the actual cost of food or refreshment consumed by the legislator
31 be reported.

32 (b) In the case of a lobbyist employed by more than one employer,
33 the proportionate amount of expenditures in each category incurred on
34 behalf of each of the lobbyist's employers.

35 (c) An itemized listing of each contribution of money or of
36 tangible or intangible personal property, whether contributed by the
37 lobbyist personally or delivered or transmitted by the lobbyist, to any
38 candidate, elected official, or officer or employee of any agency, or

1 any political committee supporting or opposing any ballot proposition,
2 or for or on behalf of any candidate, elected official, or officer or
3 employee of any agency, or any political committee supporting or
4 opposing any ballot proposition. All contributions made to, or for the
5 benefit of, any candidate, elected official, or officer or employee of
6 any agency, or any political committee supporting or opposing any
7 ballot proposition shall be identified by date, amount, and the name of
8 the candidate, elected official, or officer or employee of any agency,
9 or any political committee supporting or opposing any ballot
10 proposition receiving, or to be benefited by each such contribution.

11 (d) The subject matter of proposed legislation or other legislative
12 activity or rule making under chapter 34.05 RCW, the state
13 administrative procedure act, and the state agency considering the
14 same, which the lobbyist has been engaged in supporting or opposing
15 during the reporting period, unless exempt under RCW 42.17A.610(2).

16 (e) A listing of each payment for an item specified in RCW
17 42.52.150(5) in excess of fifty dollars and each item specified in RCW
18 42.52.010(~~(+10)~~) (9) (d) and (f) made to a state elected official,
19 state officer, or state employee. Each item shall be identified by
20 recipient, date, and approximate value of the item.

21 (f) The total expenditures paid or incurred during the reporting
22 period by the lobbyist for lobbying purposes, whether through or on
23 behalf of a lobbyist or otherwise, for (i) political advertising as
24 defined in RCW 42.17A.005; and (ii) public relations, telemarketing,
25 polling, or similar activities if the activities, directly or
26 indirectly, are intended, designed, or calculated to influence
27 legislation or the adoption or rejection of a rule, standard, or rate
28 by an agency under the administrative procedure act. The report shall
29 specify the amount, the person to whom the amount was paid, and a brief
30 description of the activity.

31 (3) Lobbyists are not required to report the following:

32 (a) Unreimbursed personal living and travel expenses not incurred
33 directly for lobbying;

34 (b) Any expenses incurred for his or her own living accommodations;

35 (c) Any expenses incurred for his or her own travel to and from
36 hearings of the legislature;

37 (d) Any expenses incurred for telephone, and any office expenses,

1 including rent and salaries and wages paid for staff and secretarial
2 assistance.

3 (4) The commission may adopt rules to vary the content of lobbyist
4 reports to address specific circumstances, consistent with this
5 section. Lobbyist reports are subject to audit by the commission.

6 **Sec. 4.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to
7 read as follows:

8 (1) The statement of financial affairs required by RCW 42.17A.700
9 shall disclose the following information for the reporting individual
10 and each member of his or her immediate family:

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

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

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

26 (d) Every public or private office, directorship, and position held
27 as trustee;

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

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

7 (g) The name of any corporation, partnership, joint venture,
8 association, union, or other entity in which is held any office,
9 directorship, or any general partnership interest, or an ownership
10 interest of ten percent or more; the name or title of that office,
11 directorship, or partnership; the nature of ownership interest; and:

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

37 (h) A list, including legal or other sufficient descriptions as
38 prescribed by the commission, of all real property in the state of

1 Washington, the assessed valuation of which exceeds ten thousand
2 dollars in which any direct financial interest was acquired during the
3 preceding calendar year, and a statement of the amount and nature of
4 the financial interest and of the consideration given in exchange for
5 that interest;

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

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

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

27 (l) A list of each occasion, specifying date, donor, and amount, at
28 which food and beverage in excess of fifty dollars was accepted under
29 RCW 42.52.150(5), except that food and beverage does not need to be
30 reported if required to be reported under RCW 42.17A.615(2);

31 (m) A list of each occasion, specifying date, donor, and amount, at
32 which items specified in RCW 42.52.010(~~(+10+)~~) (9) (d) and (f) were
33 accepted; and

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

37 (2) Where an amount is required to be reported under subsection
38 (1)(a) through (m) of this section, it shall be sufficient to comply

1 with the requirement to report whether the amount is less than four
2 thousand dollars, at least four thousand dollars but less than twenty
3 thousand dollars, at least twenty thousand dollars but less than forty
4 thousand dollars, at least forty thousand dollars but less than one
5 hundred thousand dollars, or one hundred thousand dollars or more. An
6 amount of stock may be reported by number of shares instead of by
7 market value. No provision of this subsection may be interpreted to
8 prevent any person from filing more information or more detailed
9 information than required.

10 (3) Items of value given to an official's or employee's spouse,
11 domestic partner, or family member are attributable to the official or
12 employee, except the item is not attributable if an independent
13 business, family, or social relationship exists between the donor and
14 the spouse, domestic partner, or family member.

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

17 (1) At the beginning of each even-numbered calendar year, the
18 commission shall increase or decrease the dollar amounts in RCW
19 42.17A.005(26), 42.17A.405, 42.17A.410, 42.17A.445(3), 42.17A.475,
20 42.17A.615(2), and 42.17A.630(1) based on changes in economic
21 conditions as reflected in the inflationary index recommended by the
22 office of financial management. The new dollar amounts established by
23 the commission under this section shall be rounded off to amounts as
24 judged most convenient for public understanding and so as to be within
25 ten percent of the target amount equal to the base amount provided in
26 this chapter multiplied by the increase in the inflationary index since
27 July 2008.

28 (2) The commission may revise, at least once every five years but
29 no more often than every two years, the monetary reporting thresholds
30 and reporting code values of this chapter. The revisions shall be only
31 for the purpose of recognizing economic changes as reflected by an
32 inflationary index recommended by the office of financial management.
33 The revisions shall be guided by the change in the index for the period
34 commencing with the month of December preceding the last revision and
35 concluding with the month of December preceding the month the revision
36 is adopted. As to each of the three general categories of this
37 chapter, reports of campaign finance, reports of lobbyist activity, and

1 reports of the financial affairs of elected and appointed officials,
2 the revisions shall equally affect all thresholds within each category.
3 The revisions authorized by this subsection shall reflect economic
4 changes from the time of the last legislative enactment affecting the
5 respective code or threshold.

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

--- END ---

HOUSE BILL 2768

State of Washington 63rd Legislature 2014 Regular Session

By Representatives S. Hunt, Manweller, Haler, and Pollet

Read first time 02/05/14. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to reporting by lobbyists and lobbyists' employers;
2 amending RCW 42.17A.615 and 42.17A.710; adding a new section to chapter
3 42.17A RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the public is
6 entitled to complete disclosure regarding the influence of money in
7 politics. Therefore, the legislature intends to increase disclosure by
8 requiring electronic filing by lobbyists and lobbyists' employers.

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

11 (1) All agencies required to report under RCW 42.17A.635 must file
12 all reports required by this chapter electronically over the internet
13 as provided by the commission under RCW 42.17A.055.

14 (2) No later than January 1, 2015, all lobbyists and lobbyists'
15 employers required to file reports under RCW 42.17A.600, 42.17A.615,
16 42.17A.625, or 42.17A.630 must file all reports required by this
17 chapter electronically over the internet as provided by the commission
18 under RCW 42.17A.055.

1 **Sec. 3.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to
2 read as follows:

3 (1) Any lobbyist registered under RCW 42.17A.600 and any person who
4 lobbies shall file with the commission monthly reports of his or her
5 lobbying activities. The reports shall be made in the form and manner
6 prescribed by the commission and must be signed by the lobbyist. The
7 monthly report shall be filed within fifteen days after the last day of
8 the calendar month covered by the report.

9 (2) The monthly report shall contain:

10 (a) The totals of all expenditures for lobbying activities made or
11 incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's
12 employer during the period covered by the report. Expenditure totals
13 for lobbying activities shall be segregated according to financial
14 category, including compensation; food and refreshments; living
15 accommodations; advertising; travel; contributions; and other expenses
16 or services. Each individual expenditure of more than twenty-five
17 dollars for entertainment shall be (~~identified by date, place, amount,~~
18 ~~and the names of all persons taking part in the entertainment, along~~
19 ~~with the dollar amount attributable to each person, including the~~
20 ~~lobbyist's portion~~) reported as follows:

21 (i) For legislative-related events in which all legislators are
22 invited, the date, place, total cost of the event;

23 (ii) For events in which ten or fewer individuals are invited,
24 excluding lobbyists, the date, place, and amount attributable to each
25 individual;

26 (iii) For events in which more than ten persons are invited,
27 excluding lobbyists, the date, place, and amount attributable to each
28 individual. It is permissible to average the cost for each attendee;
29 however, if a legislator attends such an event, he or she may request
30 that the actual cost of food or refreshment consumed by the legislator
31 be reported.

32 (b) In the case of a lobbyist employed by more than one employer,
33 the proportionate amount of expenditures in each category incurred on
34 behalf of each of the lobbyist's employers.

35 (c) An itemized listing of each contribution of money or of
36 tangible or intangible personal property, whether contributed by the
37 lobbyist personally or delivered or transmitted by the lobbyist, to any
38 candidate, elected official, or officer or employee of any agency, or

1 any political committee supporting or opposing any ballot proposition,
2 or for or on behalf of any candidate, elected official, or officer or
3 employee of any agency, or any political committee supporting or
4 opposing any ballot proposition. All contributions made to, or for the
5 benefit of, any candidate, elected official, or officer or employee of
6 any agency, or any political committee supporting or opposing any
7 ballot proposition shall be identified by date, amount, and the name of
8 the candidate, elected official, or officer or employee of any agency,
9 or any political committee supporting or opposing any ballot
10 proposition receiving, or to be benefited by each such contribution.

11 (d) The subject matter of proposed legislation or other legislative
12 activity or rule making under chapter 34.05 RCW, the state
13 administrative procedure act, and the state agency considering the
14 same, which the lobbyist has been engaged in supporting or opposing
15 during the reporting period, unless exempt under RCW 42.17A.610(2).

16 (e) A listing of each payment for an item specified in RCW
17 42.52.150(5) in excess of fifty dollars and each item specified in RCW
18 42.52.010(~~(+10)~~) (9) (d) and (f) made to a state elected official,
19 state officer, or state employee. Each item shall be identified by
20 recipient, date, and approximate value of the item.

21 (f) The total expenditures paid or incurred during the reporting
22 period by the lobbyist for lobbying purposes, whether through or on
23 behalf of a lobbyist or otherwise, for (i) political advertising as
24 defined in RCW 42.17A.005; and (ii) public relations, telemarketing,
25 polling, or similar activities if the activities, directly or
26 indirectly, are intended, designed, or calculated to influence
27 legislation or the adoption or rejection of a rule, standard, or rate
28 by an agency under the administrative procedure act. The report shall
29 specify the amount, the person to whom the amount was paid, and a brief
30 description of the activity.

31 (3) Lobbyists are not required to report the following:

32 (a) Unreimbursed personal living and travel expenses not incurred
33 directly for lobbying;

34 (b) Any expenses incurred for his or her own living accommodations;

35 (c) Any expenses incurred for his or her own travel to and from
36 hearings of the legislature;

37 (d) Any expenses incurred for telephone, and any office expenses,

1 including rent and salaries and wages paid for staff and secretarial
2 assistance.

3 (4) The commission may adopt rules to vary the content of lobbyist
4 reports to address specific circumstances, consistent with this
5 section. Lobbyist reports are subject to audit by the commission.

6 **Sec. 4.** RCW 42.17A.710 and 2010 c 204 s 903 are each amended to
7 read as follows:

8 (1) The statement of financial affairs required by RCW 42.17A.700
9 shall disclose the following information for the reporting individual
10 and each member of his or her immediate family:

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

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

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

26 (d) Every public or private office, directorship, and position held
27 as trustee;

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

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

7 (g) The name of any corporation, partnership, joint venture,
8 association, union, or other entity in which is held any office,
9 directorship, or any general partnership interest, or an ownership
10 interest of ten percent or more; the name or title of that office,
11 directorship, or partnership; the nature of ownership interest; and:

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

37 (h) A list, including legal or other sufficient descriptions as
38 prescribed by the commission, of all real property in the state of

1 Washington, the assessed valuation of which exceeds ten thousand
2 dollars in which any direct financial interest was acquired during the
3 preceding calendar year, and a statement of the amount and nature of
4 the financial interest and of the consideration given in exchange for
5 that interest;

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

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

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

27 (l) A list of each occasion, specifying date, donor, and amount, at
28 which food and beverage in excess of fifty dollars was accepted under
29 RCW 42.52.150(5), except that food and beverage does not need to be
30 reported if required to be reported under RCW 42.17A.615(2);

31 (m) A list of each occasion, specifying date, donor, and amount, at
32 which items specified in RCW 42.52.010(~~(+10+)~~) (9) (d) and (f) were
33 accepted; and

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

37 (2) Where an amount is required to be reported under subsection
38 (1)(a) through (m) of this section, it shall be sufficient to comply

1 with the requirement to report whether the amount is less than four
2 thousand dollars, at least four thousand dollars but less than twenty
3 thousand dollars, at least twenty thousand dollars but less than forty
4 thousand dollars, at least forty thousand dollars but less than one
5 hundred thousand dollars, or one hundred thousand dollars or more. An
6 amount of stock may be reported by number of shares instead of by
7 market value. No provision of this subsection may be interpreted to
8 prevent any person from filing more information or more detailed
9 information than required.

10 (3) Items of value given to an official's or employee's spouse,
11 domestic partner, or family member are attributable to the official or
12 employee, except the item is not attributable if an independent
13 business, family, or social relationship exists between the donor and
14 the spouse, domestic partner, or family member.

--- END ---

SENATE BILL 6414

State of Washington

63rd Legislature

2014 Regular Session

By Senators Fain, Tom, Eide, Hill, Angel, Braun, Becker, Litzow, Bailey, Brown, Schoesler, and Rolfes

Read first time 01/24/14. Referred to Committee on Governmental Operations.

1 AN ACT Relating to improving lobbyist reporting and disclosure;
2 amending RCW 42.17A.050, 42.17A.615, 42.17A.620, and 42.52.150; and
3 adding new sections to chapter 42.17A RCW.

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

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

7 (1) All agencies required to report under RCW 42.17A.635 must file
8 all reports required by this chapter electronically over the internet
9 as provided by the commission under RCW 42.17A.055.

10 (2) No later than January 1, 2015, all lobbyists and lobbyists'
11 employers required to file reports under RCW 42.17A.600, 42.17A.615,
12 42.17A.625, or 42.17A.630 must file all reports required by this
13 chapter electronically over the internet as provided by the commission
14 under RCW 42.17A.055.

15 **Sec. 2.** RCW 42.17A.050 and 2010 c 204 s 201 are each amended to
16 read as follows:

17 The commission shall operate a web site or contract for the
18 operation of a web site that allows access to reports, copies of

1 reports, or copies of data and information submitted in reports, filed
2 with the commission under RCW 42.17A.205, 42.17A.225, 42.17A.235,
3 42.17A.255, 42.17A.265, 42.17A.600, 42.17A.615, 42.17A.625, and
4 42.17A.630. In addition, the commission (~~shall attempt to~~) must make
5 available via the web site and searchable through an application
6 programming interface other public records submitted to or generated by
7 the commission that are required by this chapter to be available for
8 public use or inspection, except for business or residential street
9 address information.

10 **Sec. 3.** RCW 42.17A.615 and 2010 c 204 s 804 are each amended to
11 read as follows:

12 (1) Any lobbyist registered under RCW 42.17A.600 and any person who
13 lobbies shall file with the commission monthly reports of his or her
14 lobbying activities. The reports shall be made in the form and manner
15 prescribed by the commission and must be signed by the lobbyist. The
16 monthly report shall be filed within fifteen days after the last day of
17 the calendar month covered by the report.

18 (2) The monthly report shall contain:

19 (a) The totals of all expenditures for lobbying activities made or
20 incurred by the lobbyist or on behalf of the lobbyist by the lobbyist's
21 employer during the period covered by the report. Expenditure totals
22 for lobbying activities shall be segregated according to financial
23 category, including compensation; food and refreshments; living
24 accommodations; advertising; travel; contributions; and other expenses
25 or services. Each individual expenditure of more than twenty-five
26 dollars for entertainment shall be identified by date, place, amount,
27 and the names of all persons taking part in the entertainment, along
28 with the specific dollar amount (~~attributable to~~) incurred by each
29 person and paid by the lobbyist, including the lobbyist's portion.

30 (b) In the case of multiple lobbyists or lobbyists' employers
31 sharing in an expenditure of more than twenty-five dollars for
32 entertainment, each lobbyist or lobbyists' employer must identify the
33 date, place, amount, and the names of all persons taking part in the
34 entertainment, along with the specific dollar amounts of each person's
35 share of the expenses paid by the reporting lobbyist. A cross-
36 reference to the report of another lobbyist or lobbyists' employer who

1 shared in an expenditure does not meet the requirements of this
2 section.

3 (c) In the case of a lobbyist employed by more than one employer,
4 the proportionate amount of expenditures in each category incurred on
5 behalf of each of the lobbyist's employers.

6 ((+e)) (d) An itemized listing of each contribution of money or of
7 tangible or intangible personal property, whether contributed by the
8 lobbyist personally or delivered or transmitted by the lobbyist, to any
9 candidate, elected official, or officer or employee of any agency, or
10 any political committee supporting or opposing any ballot proposition,
11 or for or on behalf of any candidate, elected official, or officer or
12 employee of any agency, or any political committee supporting or
13 opposing any ballot proposition. All contributions made to, or for the
14 benefit of, any candidate, elected official, or officer or employee of
15 any agency, or any political committee supporting or opposing any
16 ballot proposition shall be identified by date, amount, and the name of
17 the candidate, elected official, or officer or employee of any agency,
18 or any political committee supporting or opposing any ballot
19 proposition receiving, or to be benefited by each such contribution.

20 ((+d)) (e) The subject matter of proposed legislation or other
21 legislative activity or rule making under chapter 34.05 RCW, the state
22 administrative procedure act, and the state agency considering the
23 same, which the lobbyist has been engaged in supporting or opposing
24 during the reporting period, unless exempt under RCW 42.17A.610(2).

25 ((+e)) (f) A listing of each payment for an item specified in RCW
26 42.52.150(5) (~~in excess of fifty dollars~~) and each item specified in
27 RCW 42.52.010((+10)) (9) (d) and (f) made to a state elected official,
28 state officer, or state employee. Each item shall be identified by
29 recipient, date, and approximate value of the item.

30 ((+f)) (g) The total expenditures paid or incurred during the
31 reporting period by the lobbyist for lobbying purposes, whether through
32 or on behalf of a lobbyist or otherwise, for (i) political advertising
33 as defined in RCW 42.17A.005; and (ii) public relations, telemarketing,
34 polling, or similar activities if the activities, directly or
35 indirectly, are intended, designed, or calculated to influence
36 legislation or the adoption or rejection of a rule, standard, or rate
37 by an agency under the administrative procedure act. The report shall

1 specify the amount, the person to whom the amount was paid, and a brief
2 description of the activity.

3 (3) Lobbyists are not required to report the following:

4 (a) Unreimbursed personal living and travel expenses not incurred
5 directly for lobbying;

6 (b) Any expenses incurred for his or her own living accommodations;

7 (c) Any expenses incurred for his or her own travel to and from
8 hearings of the legislature;

9 (d) Any expenses for a legislator's food or beverage at a meeting
10 with the lobbyist where attendance is related to the legislator's
11 official duties that are paid by the legislator; or

12 (e) Any expenses incurred for telephone, and any office expenses,
13 including rent and salaries and wages paid for staff and secretarial
14 assistance.

15 (4) The commission may adopt rules to vary the content of lobbyist
16 reports to address specific circumstances, consistent with this
17 section. Lobbyist reports are subject to audit by the commission.

18 **Sec. 4.** RCW 42.17A.620 and 2010 c 204 s 805 are each amended to
19 read as follows:

20 (1) When a listing or a report of contributions is made to the
21 commission under RCW 42.17A.615(2)(c), a copy of the listing or report
22 must be given to the candidate, elected official, professional staff
23 member of the legislature, or officer or employee of an agency, or a
24 political committee supporting or opposing a ballot proposition named
25 in the listing or report.

26 (2) If a state elected official or a member of the official's
27 immediate family is identified by a lobbyist in a lobbyist report as
28 having received from the lobbyist an item specified in RCW 42.52.150(5)
29 of any amount or 42.52.010(~~(+10)~~) (9) (d) or (f), the lobbyist shall
30 transmit to the official a copy of the completed form used to identify
31 the item in the report at the same time the report is filed with the
32 commission.

33 **Sec. 5.** RCW 42.52.150 and 2011 c 60 s 29 are each amended to read
34 as follows:

35 (1) No state officer or state employee may accept gifts, other than
36 those specified in subsections (2) and (5) of this section, with an

1 aggregate value in excess of fifty dollars from a single source in a
2 calendar year or a single gift from multiple sources with a value in
3 excess of fifty dollars. For purposes of this section, "single source"
4 means any person, as defined in RCW 42.52.010, whether acting directly
5 or through any agent or other intermediary, and "single gift" includes
6 any event, item, or group of items used in conjunction with each other
7 or any trip including transportation, lodging, and attendant costs, not
8 excluded from the definition of gift under RCW 42.52.010. The value of
9 gifts given to an officer's or employee's family member or guest shall
10 be attributed to the official or employee for the purpose of
11 determining whether the limit has been exceeded, unless an independent
12 business, family, or social relationship exists between the donor and
13 the family member or guest.

14 (2) Except as provided in subsection (4) of this section, the
15 following items are presumed not to influence under RCW 42.52.140, and
16 may be accepted without regard to the limit established by subsection
17 (1) of this section:

18 (a) Unsolicited flowers, plants, and floral arrangements;

19 (b) Unsolicited advertising or promotional items of nominal value,
20 such as pens and note pads;

21 (c) Unsolicited tokens or awards of appreciation in the form of a
22 plaque, trophy, desk item, wall memento, or similar item;

23 (d) Unsolicited items received by a state officer or state employee
24 for the purpose of evaluation or review, if the officer or employee has
25 no personal beneficial interest in the eventual use or acquisition of
26 the item by the officer's or employee's agency;

27 (e) Informational material, publications, or subscriptions related
28 to the recipient's performance of official duties;

29 (f) Food and beverages consumed at hosted receptions where
30 attendance is related to the state officer's or state employee's
31 official duties;

32 (g) Gifts, grants, conveyances, bequests, and devises of real or
33 personal property, or both, in trust or otherwise accepted and
34 solicited for deposit in the legislative international trade account
35 created in RCW 43.15.050;

36 (h) Gifts, grants, conveyances, bequests, and devises of real or
37 personal property, or both, in trust or otherwise accepted and

1 solicited for the purpose of promoting the expansion of tourism as
2 provided for in RCW 43.330.090;

3 (i) Gifts, grants, conveyances, bequests, and devises of real or
4 personal property, or both, solicited on behalf of a national
5 legislative association, 2006 official conference of the national
6 lieutenant governors' association, or host committee for the purpose of
7 hosting an official conference under the circumstances specified in RCW
8 42.52.820 and section 2, chapter 5, Laws of 2006. Anything solicited
9 or accepted may only be received by the national association or host
10 committee and may not be commingled with any funds or accounts that are
11 the property of any person;

12 (j) Admission to, and the cost of food and beverages consumed at,
13 events sponsored by or in conjunction with a civic, charitable,
14 governmental, or community organization; and

15 (k) Unsolicited gifts from dignitaries from another state or a
16 foreign country that are intended to be personal in nature.

17 (3) The presumption in subsection (2) of this section is rebuttable
18 and may be overcome based on the circumstances surrounding the giving
19 and acceptance of the item.

20 (4) Notwithstanding subsections (2) and (5) of this section, a
21 state officer or state employee of a regulatory agency or of an agency
22 that seeks to acquire goods or services who participates in those
23 regulatory or contractual matters may receive, accept, take, or seek,
24 directly or indirectly, only the following items from a person
25 regulated by the agency or from a person who seeks to provide goods or
26 services to the agency:

27 (a) Unsolicited advertising or promotional items of nominal value,
28 such as pens and note pads;

29 (b) Unsolicited tokens or awards of appreciation in the form of a
30 plaque, trophy, desk item, wall memento, or similar item;

31 (c) Unsolicited items received by a state officer or state employee
32 for the purpose of evaluation or review, if the officer or employee has
33 no personal beneficial interest in the eventual use or acquisition of
34 the item by the officer's or employee's agency;

35 (d) Informational material, publications, or subscriptions related
36 to the recipient's performance of official duties;

37 (e) Food and beverages consumed at hosted receptions where

1 attendance is related to the state officer's or state employee's
2 official duties;

3 (f) Admission to, and the cost of food and beverages consumed at,
4 events sponsored by or in conjunction with a civic, charitable,
5 governmental, or community organization; and

6 (g) Those items excluded from the definition of gift in RCW
7 42.52.010 except:

8 (i) Payments by a governmental or nongovernmental entity of
9 reasonable expenses incurred in connection with a speech, presentation,
10 appearance, or trade mission made in an official capacity;

11 (ii) Payments for seminars and educational programs sponsored by a
12 bona fide governmental or nonprofit professional, educational, trade,
13 or charitable association or institution; and

14 (iii) Flowers, plants, and floral arrangements.

15 (5) A state officer or state employee may accept gifts in the form
16 of food and beverage on infrequent occasions in the ordinary course of
17 meals where attendance by the officer or employee is related to the
18 performance of official duties. The appropriate ethics boards must
19 define the limits of this allowance. Gifts in the form of food and
20 beverage that exceed fifty dollars on a single occasion shall be
21 reported as provided in chapter 42.17A RCW.

22 NEW SECTION. Sec. 6. A new section is added to chapter 42.17A RCW
23 to read as follows:

24 Every lobbyist who is required to report any entertainment
25 expenditure to the commission pursuant to RCW 42.17A.615 must pay a fee
26 of two hundred dollars to the commission each calendar year that it is
27 required to report under RCW 42.17A.600, 42.17A.615, 42.17A.630, or
28 42.17A.640.

29 NEW SECTION. Sec. 7. A new section is added to chapter 42.17A RCW
30 to read as follows:

31 (1) The public disclosure electronic filing account is created in
32 the custody of the state treasurer. All receipts from fees paid under
33 section 6 of this act must be deposited into the account. Expenditures
34 from the account may be used only for costs incurred as a result of the
35 design, development, implementation, and maintenance of:

1 (a) Computer hardware and software or other applications to
2 accommodate electronic filing of the reports required by this chapter;
3 and

4 (b) A database and query system compatible with current
5 architecture, technology, and operating systems that result in readily
6 available data to the public for review and analysis.

7 (2) Only the executive director of the commission, or the executive
8 director's designee, may authorize expenditures from the account. The
9 account is subject to allotment procedures under chapter 43.88 RCW, but
10 an appropriation is not required for expenditures.

--- END ---

ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1005

State of Washington

63rd Legislature

2014 Regular Session

By House Appropriations (originally sponsored by Representatives Moeller, Wylie, Reykdal, Appleton, Ryu, Morrell, McCoy, Seaquist, Moscoso, Hudgins, Ormsby, and Pollet)

READ FIRST TIME 02/11/14.

1 AN ACT Relating to the public disclosure commission concerning
2 responsibilities and funding; adding a new section to chapter 42.17A
3 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the public is
6 entitled to complete disclosure regarding the influence of money in
7 politics. Therefore, the legislature intends to increase disclosure by
8 requiring electronic filing by lobbyists.

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

11 (1) All agencies required to report under RCW 42.17A.635 must file
12 all reports required by this chapter electronically over the internet
13 as provided by the commission under RCW 42.17A.055.

14 (2) No later than January 1, 2016, all lobbyists and lobbyists'
15 employers required to file reports under RCW 42.17A.600, 42.17A.615,
16 42.17A.625, or 42.17A.630 must file all reports required by this
17 chapter electronically over the internet as provided by the commission
18 under RCW 42.17A.055.

1 (3) The commission shall design, develop, implement, and maintain
2 computer hardware and software or other applications to accommodate
3 electronic filing of the reports required by this section and a
4 database and query system compatible with current architecture,
5 technology, and operating systems that result in readily available data
6 to the public for review and analysis. The commission is encouraged to
7 engage stakeholders in the design and development of the system.

--- END ---