



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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Input on Rulemaking for Lobbying Activity

(Chapter 390-20 WAC)

The PDC recently filed a pre-proposal inquiry for rulemaking in the subject area of lobbying activity. *See* WSR 23-12-001. The timing of the rulemaking corresponds to the agency’s planned improvements for the lobbying reporting system as well as periodic evaluation of monetary thresholds and reporting values for possible inflationary adjustment. In addition, the Legislature passed agency request legislation this year to update and improve the reporting of indirect (“grassroots”) lobbying activities, and the PDC will consider rulemaking to implement these legislative changes.

Through this rulemaking process, the Commission intends to solicit public input on the scope of rules it will draft and formally propose for consideration. This initial phase is an important step to ensure that public comment is incorporated into the development of the proposed rules. The following presents some of the issues for consideration within the potential scope of this rulemaking for which the Commission is seeking input.

Grassroots Lobbying

Indirect (“grassroots”) lobbying is when a group spends money to *solicit the general public* in an attempt to create an outpouring of support or opposition to legislation. This activity has been regulated under the lobbying disclosure laws since Initiative 276 was adopted in 1972 and is currently codified under RCW 42.17A.640.

Passage of HB 1317 in 2023 was the first substantive update of that original law. That bill updates the law and improves transparency in several meaningful ways, including expediting the registration period for grassroots campaigns, requiring sponsor identification on communications to the public, and clarifying the reporting of contributions to a campaign. The bill was the product of a multi-year effort, including outreach with interested stakeholders, which generated questions about provisions of the original law, as well as the recent legislation.

This rulemaking is initiated to implement the new law as well as provide the opportunity to address any issues with the current law which were not part of changes in HB 1317. The changes enacted in HB 1317 that may generate rules for implementation include:

- Adjusting the registration requirement to trigger when a campaign has made an initial presentation to the public (within 24 hours of the first communication to the public during the legislative period, and within 5 days during any other period).

- Providing that campaigns can report general treasury as a source of funding without disclosing funding sources, including donors, to the general treasury.
- Including sponsor identification in advertising presented to the public, similar to political advertising disclaimer requirements.

Additionally, the following provides a summary of some of the questions raised through outreach regarding the preexisting law that may be the subject for rulemaking:

- What is the scope of activity covered within the meaning of “grassroots” lobbying?
- Can an existing organization’s grassroots lobbying activity be reported through its paid lobbyist’s L-2 Report?
- When must informal coalitions of organizations that share resources report as a grassroots campaign?
- To what extent must an organization report its internal administrative costs for a grassroots campaign, including staff time, facilities, etc.?
- What type of activity qualifies as a “presentation to the public” and what content is required to be included?
- Should the rules regarding sponsor identification for political advertising, including exceptions for small or impractical disclosure, be used for the new grassroots sponsor ID?

Inflationary Adjustments

The PDC is required to consider periodically making inflationary adjustments to the monetary contribution limits, reporting thresholds, and code values set throughout the Fair Campaign Practices Act. *See* RCW 42.17A.125. Any revisions must apply equally within each category of regulation (campaign finance, lobbying, or personal financial affairs). In 2022, the Commission began consideration of inflationary adjustments, and has recently adopted rules to revise the reporting values and contribution limits within the campaign finance category.

This new rulemaking is initiated to consider inflationary adjustments to the reporting values throughout the lobbying category. The last time the Commission revised the lobbying reporting values was in 2014. (It should be noted that adjustments are measured from the year that a value was enacted in statute, not from the last revision made by rule.) Revisions must be calculated by the inflationary index provided by the Office of Financial Management. See chart of main statutory values in the lobbying category (below).

Updating Existing Lobbying Rules

This new rulemaking is initiated further to consider changes to the lobbying rules in other substantive areas. The Commission is seeking input from the public on ideas for improving the disclosure of lobbying activity by clarifying or expounding upon the existing statutory requirements, as appropriate for rulemaking.

Such issues may include defining terminology to promote understanding of reporting requirements, identifying opportunities for more useful disclosure, and clarifying reporting requirements for specific circumstances such as public agencies contracting with private lobbyists. The development of the online lobbying reporting system also provides opportunities to consider improvements to the process for reporting lobbying activity, including potential consolidation of reporting now disaggregated across the L-2 (lobbyist report), the L-3 (lobbyist

employer report), the L-3c (employer's monthly contribution report) and the L-6 (grassroots lobbying report).

Current Monetary Thresholds for Reporting Lobbying Activity

Statutory provision	Current value in rule	Last established in statute
Threshold for reporting the members of a lobbyist employer entity who pay dues or fees to such entity. RCW 42.17A.600(1)	\$1,450	\$500 in 1973
Limit for exemption from registration for lobbying activity for expenses within a three-month period. RCW 42.17A.610(5)	\$35	\$25 in 1982
Threshold for itemizing expenditures on public officials over \$50 on entertainment and food or beverage. RCW 42.17A.615(2)	\$50	\$25 in 1982 (entertainment); \$50 in 1995 (food and beverage)
Threshold for lobbyists and lobbyist employers reporting making a last-minute contribution. RCW 42.17A.625	\$1,000 (not adjusted)	\$1,000 in 2001 Note: The threshold for PAC's reporting last-minute contributions was adjusted to \$1,500 in 2023.
Threshold for special reporting by lobbyist employers and other entities that make aggregate annual contributions or independent expenditures. RCW 42.17A.630(1)	\$20,000/contributions; \$1,000/IE's	\$16,000 and \$800 in 2010
Threshold for reporting contributions by lobbyist employers to any candidate. RCW 42.17A.630(2)	\$110	\$100 in 1990
Threshold of expenditure activity for registering as a grassroots lobbying campaign.	\$700 one month; \$1,400 three-months	\$500 and \$1,000 in 1985

RCW 42.17A.640		
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