



## State of Washington PUBLIC DISCLOSURE COMMISSION

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TO: Members, Public Disclosure Commission  
FROM: Nancy Krier, General Counsel  
DATE: October 21, 2013  
SUBJECT: Background Information – Lobbying Disclosure Thresholds and Reporting of Lobbying Expenses for Entertainment, Food and Beverages – October 24, 2013 Meeting

### **Agenda Item**

At the October 24 meeting, the Commission is scheduled to continue its discussion on lobbying disclosure thresholds and reporting of lobbying expenses for entertainment, food and beverages.

### **Recent History**

This discussion began at the September 26 meeting with a review of the L-2 form at WAC 390-20-020 (Forms for Lobbyist Report of Expenditures). The L-2 form is the report a lobbyist files at the end of each month to show compensation and the lobbyist's and his/her employer's lobbying-related expenditures. In September, the Commission approved proposed language to amend the L-2 rule to provide clearer instructions on the form concerning reporting entertainment amounts "attributable to each person" lobbied, as required by RCW 42.17A.615(2). The public hearing on that proposed amendment is scheduled for December. If adopted, that amendment becomes effective 31 days after filing.

Meanwhile, the Commission also received input from several stakeholders. Their comments concerned not only lobbyist reporting of entertainment, including food and beverages, but also lobbying disclosure thresholds, and how the current thresholds in RCW 42.17A compare to gift reporting laws in the State Ethics Act at RCW 42.52. That part of the discussion is ongoing. The Commission asked staff to work with the Legislative Ethics Board (LEB) staff, and to identify how RCW 42.17A and RCW 42.52 interrelate.

As became apparent during the discussion at the September meeting, this topic is more involved than it appears at first blush. Therefore, after some preliminary discussions with LEB staff, staff has identified a number of issues and preliminary options on how to move forward.

In sum, this memorandum provides background on:

- Preliminary Issues
- L-2 Form
- Lobbyist Reporting of Entertainment, Food and Beverages - RCW 42.17A.615(2), the State Ethics Act, and the L-2 Form
- Recipient Reporting of Food and Beverages – RCW 42.17A.710, the State Ethics Act and the F-1 Form
- Commission Authority to Revise Lobbyist Reporting Thresholds in RCW 42.17A By Rule

- Statutory Sources of Other Thresholds Impacting Lobbyists or Recipients
- History – Reporting by Lobbyists
- Staff Work To Date
- Possible Next Steps – Options

### **Preliminary Issues**

1. **Thresholds.** By statute, if the Commission wishes to revise the \$25 threshold for reporting entertainment on the L-2 form, it must also revise all thresholds in all lobbying reports (for lobbyist employers, grassroots lobbying, and public agency lobbying). It must make those changes by rule.

*Query: Does the Commission want to begin rulemaking to adjust the thresholds in all lobbying forms?*

2. **Entertainment vs. Food and Beverages.** The Commission adopted an interpretation describing that most food and beverage reporting on the L-2 form is part of reporting “entertainment.” That means most food and beverages (including reception expenses) must be itemized when more than \$25 is spent, and the lobbyist must attribute those amounts expended to each person lobbied.

However, the State Ethics Law provides a threshold of more than \$50 for when certain foods and beverages are “gifts” and it describes when certain foods, beverages and attendance at receptions are not “gifts.”

In addition, F-1 filers must report food and beverages received but not paid for by their governmental agency, when they cost over \$50 per occasion.

*Query: Does the Commission want to continue with or revisit the view that “entertainment” includes most food and beverages (and all receptions), or does it want to describe entertainment as a lobbyist reporting category separate from food and beverages and/or receptions?*

*Query: If food and beverage expenses (including those consumed at receptions) are to be reported separately from entertainment, (and perhaps with a different threshold, such as more than \$50) how should they be reported? For example, should they be itemized with amounts attributed to individuals lobbied?*

### **L-2 Form**

A copy of a blank L-2 form is enclosed, with some relevant sections highlighted. The form was adopted under RCW 42.17A.615. A copy of the statute is enclosed, again with relevant sections highlighted. The statute lists what lobbyists must disclose. It also provides that the disclosure shall be “in the form and manner prescribed by the commission” and the commission may adopt rules to vary the content of lobbyist reports to address specific circumstances, consistent with that statute. As noted, the Commission adopted the L-2 at WAC 390-20-020.

**Lobbyist Reporting of Entertainment, Food and Beverages - RCW 42.17A.615(2), the State Ethics Act, and the L-2 Form**

Lobbying expenses are reported on various lines of the L-2 form. The totals of expenses, including food and refreshments (listed as “meals, beverages...or for other forms of entertainment” on the form) must be reported in Lines 4 - 10. See RCW 42.17A.615(2). Relevant to the current discussion, the total of entertainment, and other items (gratuities, travel and seminars to legislators, state officials and state employees lobbied, and for their immediate family members), is reported on Line 5.

Next, by statute, some of those expenses must be itemized. Itemized expenses include entertainment expenses of more than \$25, and food and beverages of more than \$50 on a single occasion, and certain expenses provided with respect to speeches, trade missions, and seminars. RCW 42.17A.615(2)(a) and (e). These expenses are itemized on Line 15. Here is the statutory language describing those entertainment, food and beverage items that must be itemized (italicized):

- **Entertainment Expenses: >\$25.** *“Each individual expenditure of more than twenty-five dollars for **entertainment** shall be identified by date, place, amount, and the names of all persons taking part in the entertainment, along with the dollar amount attributable to each person, including the lobbyist's portion.”* [Note: the statute does not define “entertainment.”]
- **Food and Beverage Expenses: >\$50.** *“A listing of each payment for an item specified in RCW 42.52.150(5) [State Ethics Act] in excess of fifty dollars.”*
  - ❖ RCW 42.52.150(5) states, *“A state officer or state employee may accept gifts in the form of food and beverage on infrequent occasions in the ordinary course of meals where attendance by the officer or employee is related to the performance of official duties. **Gifts** in the form of **food and beverage** that exceed fifty dollars on a single occasion shall be reported as provided in chapter 42.17A RCW.”*<sup>1</sup>

In addition, a lobbyist must report certain speech, trade mission, and seminar expenses provided in any amount to a person lobbied.<sup>2</sup>

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<sup>1</sup> RCW 42.17A requires lobbyists to report lobbying expenses (such as on an L-2 form), and it separately requires elected officials and some appointed state employees to report their personal financial affairs (on an F-1 form). The statutes governing for both types of filers reference the State Ethics Act. See RCW 42.17A.160(2) and RCW 42.17A.710(1).

<sup>2</sup> A lobbyist must also report a listing of “each item specified in \*RCW 42.52.010(10) (d) and (f) [State Ethics Act] made to a state elected official, state officer, or state employee. Each item shall be identified by recipient, date, and approximate value of the item.” Those items in RCW 42.52.010 are:

“Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in an official capacity. As used in this subsection, ‘reasonable expenses’ are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event.”

“Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide governmental or nonprofit professional, educational, trade, or charitable association or institution. As used in this subsection, ‘reasonable expenses’ are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event.”

This requirement, like the >\$50 food and beverage disclosure requirement, was adopted in 1995, when the Legislature also repealed other gift reporting requirements for lobbyists. Laws of 1995, ch. 397.

In 1995-96, the Commission discussed and adopted Interpretation 96-03 (*L-2 Reporting Guide for Entertainment, Travel and Educational Expenditures*) to provide more guidance on reporting and itemizing L-2 expenditures. See copy enclosed, plus enclosed *Lobbyist Reporting Instructions Manual* excerpts. The Commission adopted the interpretation, and amended its rules and L-2 form, to implement a new law relevant to the State Ethics Act. ESSB 5684 (Laws of 1995, Ch. 397). See enclosed history and summary of ESSB 5684. As described, and that guidance confirms, most food and beverages (breakfast, lunch and dinner and all receptions) are listed as a type of entertainment. Therefore, the lobbyist must itemize those expenditures when they are more than \$25.

The State Ethics Act describes that a “gift” to a state legislator/official does not include “Food and beverages consumed at hosted receptions where attendance is related to the state officer’s or state employee’s official duties” nor “Admission to, and the cost of food and beverages consumed at, events sponsored by or in conjunction with a civic, charitable, governmental or community organization.” RCW 42.52.150(2).<sup>3</sup>

However, as noted, the Commission requires lobbyists to report expenditures including entertainment, which takes into account all receptions and most food and beverages, and to itemize those expenses when they exceed \$25, even if they do not qualify as a “gift” under the State Ethics Act. See Interpretation 96-03. Two exceptions (of lobbying related items that are food) are categorized separately: candy and fruit baskets. A lobbyist must report those total expenses, but need not itemize them if they are \$50 or less.

To summarize the L-2 reporting for these items under Interpretation 96-03:

- *Entertainment of \$25 or less*: total expense included on Line 5, no itemizing.
- *Breakfast, lunch or dinner of \$25 or less*: total expense included on Line 5, no itemizing.
- *Breakfast, lunch or dinner of more than \$25*: total expense included on Line 5; itemize on Line 15.
- *Reception*: total expense included on Line 5, itemize on Line 15.
- *Candy of \$50 or less*: total expense included on Line 5, no itemizing.
- *Fruit baskets of \$50 or less*: total expense included on Line 5, no itemizing.

The Commission can revise Interpretation 96-03 or do rulemaking to define “entertainment” or other terms. Currently, examples of entertaining are provided in the interpretation and in the *Lobbyist Instructions Reporting Manual*. If RCW 42.17A’s lobbyist reporting thresholds (such as the \$25 amount) are to be adjusted, that must be done by rule. See further discussion herein, following the F-1 discussion.

### **Recipient Reporting of Food and Beverages – RCW 42.17A.710, the State Ethics Act and the F-1 Form**

The reference in RCW 42.17A to the State Ethics Act for lobbyist reporting is described above. It is worth recalling that the recipient (the person lobbied) may also have reporting obligations on a personal financial affairs form (F-1). That F-1 reporting is required by RCW 42.17A.710, which also references the State Ethics Act. The F-1 statute and form also use a more than \$50

<sup>3</sup> The LEB and the Executive Ethics Board have issued guidance on what is a reception for gift purposes under RCW 42.52. See, e.g., EEB Advisory Opinions 96-06, 96-12; and, LEB 2013 *Legislative Ethics Manual*.

threshold for food and beverages. For example, RCW 42.17A.710(1)(l) requires F-1 filers to disclose:

*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) [State Ethics Act];*

That is, the F-1 filer must disclose acceptance of food or beverages exceeding \$50 per occasion when not paid for by the filer's governmental entity. As with lobbyist reporting, the F-1 filer must also disclose certain speech, trade mission and seminar expenses paid for by others. RCW 42.17A.710(1)(m) and RCW 42.52.010(9)(d) and (f). See excerpt of F-1 and F-1 Supplement forms, attached, with relevant sections highlighted.<sup>4</sup>

Lobbyists must provide state elected officials with a copy of the L-2 or L-2 memo report, if the lobbyist reports such food and beverage expenses exceeding \$50, presumably to assist those officials in their F-1 filing. RCW 42.17A.620(2).

### **Commission Authority to Revise Lobbyist Reporting Thresholds in RCW 42.17A by Rule**

RCW 42.17A.125(2) provides that:

*The commission may revise, at least once every five years but no more often than every two years, the monetary reporting thresholds and reporting code values of this chapter. The revisions shall be only for the purpose of recognizing economic changes as reflected by an inflationary index recommended by the office of financial management. The revisions shall be guided by the change in the index for the period commencing with the month of December preceding the last revision and concluding with the month of December preceding the month the revision is adopted. **As to each of the three general categories of this chapter, reports of campaign finance, reports of lobbyist activity, and reports of the financial affairs of elected and appointed officials, the revisions shall equally affect all thresholds within each category.** The revisions authorized by this subsection shall reflect economic changes from the time of the last legislative enactment affecting the respective code or threshold.*

(Bolding added).

Those threshold and reporting changes must be adopted as rules. RCW 42.17A.125(3). This means that if the Commission wishes to revise the more than \$25 reporting threshold for lobbyist entertainment expenses, it must also revise all thresholds in reports of lobbyist activity in the "L" series of forms, and it must do so by rule. They include any thresholds for lobbyist employers (L-3), public agency lobbying (L-5), and grassroots lobbying (L-6) in the rules adopting those forms.

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<sup>4</sup> The F-1 and F-1 Supplement forms are also in rule. WAC 390-24-010, WAC 390-24-020. Those rules were amended by the Commission in 1995, following the passage of the amendments to former RCW 42.17 and the State Ethics Law (RCW 42.52).

### **Statutory Sources of Other Thresholds Impacting Lobbyists or Recipients**

The Commission may revise thresholds “of this chapter.” This language may call into question whether it is appropriate for the Commission to revise by rule thresholds that parallel thresholds outside of RCW 42.17A, such as the more than \$50 reporting amount listed in the State Ethics Act at RCW 42.52.

Within chapter 42.17A, there are other issues to consider. For example, some of the lobbyist thresholds (such as for campaign contributions) are paralleled in the campaign finance statutes. See, e.g., RCW 42.17A.235(3) (more than \$25 disclosure requirement for political committees on the C-3 and C-4 reports, which is the same as the lobbyist campaign disclosure requirement on the L-2).

Some lobbyist disclosure requirements flow from the lobbying statutes that also function in some respects as campaign disclosure statutes. See, e.g., RCW 42.17A.630 (thresholds for disclosing campaign contributions on lobbyist employer reports).

Finally, some lobbying disclosure thresholds flow from the personal financial affairs thresholds. When the F-1 thresholds are adjusted, the Commission has then adjusted the parallel reporting provisions in the lobbying statutes and forms. See, e.g., the dollar code categories in at WAC 390-24-301, which are cross referenced in the L-3 statute and form (RCW 42.17A.630(1)(a); WAC 390-20-110 (Forms for Lobbyist Employers)).

Therefore, in its discussion, the Commission may wish to consider if any lobbyist disclosure threshold changes would impact (or perhaps create inadvertent confusion with) the F-1 filing requirements for food or beverages, or lobbyist employer disclosure requirements, or other cross-referenced or interrelated disclosure thresholds.

### **History – Reporting by Lobbyists & F-1 Filers**

For more background, attached is a relevant history of lobbyist and personal financial affairs reporting of food, beverages, entertainment and gifts, and the relevant provisions of the State Ethics Act. As you can see, there has been considerable legislative action in this area of the law. Note the attached history includes only legislative action that passed – other legislative proposals in these areas have been considered but not enacted in this same time frame.

### **Staff Work to Date**

After the September Commission meeting, staff met with LEB Counsel Mike O’Connell, who is also available as a resource for the Commission. He described that the LEB is considering what constitutes “infrequent” occasions where food and beverages may be accepted by a state legislator, as that term is used but not defined in RCW 42.52.150(5). He also described that the LEB has previously determined what is a “reception” for the purpose of the gift exclusion in RCW 42.52.150(2)(f) as it applies to state legislators. He also gathered information from the National Conference of State Legislators (NCSL) Center for Ethics in Government describing food and beverage restrictions for legislators in other states. Finally, he noted that the \$50 gift amount in RCW 42.52 was part of the original bill enacting the State Ethics Law in 1994 (see history discussion, attached). You may also recall his comments at the September Commission meeting concerning previous attempts to later adjust the \$50 threshold.

Staff has also conducted a preliminary analysis of what adjusting the lobbying thresholds would look like for 2013. See enclosure. For example, using the applicable inflationary index as a guide as directed by RCW 42.17A.125(2), the \$25 entertainment reporting threshold could be adjusted to around \$80.

Finally, staff researched the relevant statutes and history with respect to the interplay between RCW 42.17A (former RCW 42.17) and RCW 42.52, to provide this background memo.

### **Possible Next Steps - Options**

The Commission has previously indicated its desire for staff to work with the LEB and stakeholders to develop recommendations for Commission consideration. In order to scope that work efficiently and effectively, some additional guidance is needed at this stage, based upon the Commission's answers to the preliminary questions raised by this memorandum. With these questions in mind, staff offers the following options:

**Option 1.** Staff suggests that following the Commission's discussion in October, staff could schedule a stakeholder meeting in November. Staff could bring additional comments to the Commission's December meeting and to any future Commission meetings where the topic is discussed. Stakeholders could also be invited to attend those Commission meetings and provide additional comment. Staff could also file a CR 101 with the Code Reviser, explaining the Commission is considering rulemaking for all lobbying thresholds, and/or for other matters (such as a definition of "entertainment").

**Option 2.** Staff could also conduct any further research or address any other issues identified by the Commission or that are prompted by this memo. Staff could bring that information back to the Commission at a future meeting, before conducting formal stakeholder outreach.

**Option 3.** There could be other options as well.

Staff suggests that further L-2 form amendments (beyond the entertainment attribution instruction scheduled for hearing in December), if any, should not be adopted until after the 2014 legislative session.

Enclosures: Current L-2 Form (highlighted)  
RCW 42.17A.615 (highlighted)  
PDC Interpretation 96-03  
Chart and excerpts from *Lobbyist Instructions Reporting Manual*  
F-1 and F-1 Supplement Form (highlighted)  
History of Legislation Governing L-2 Reporting of Entertainment, Food & Beverages, & Gifts; & Public Officials' F-1 Reporting of Gifts  
"Summary of ESSB 5684 [Laws of 1995, ch. 397] Re Lobbyists" (August 31, 1995)  
Preliminary Staff Analysis – Draft of Changing Lobbying Thresholds



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**L2**  
1/02

PDC OFFICE USE

## Lobbyist Monthly Expense Report

(as required by Chapter 397, 1995 Session Laws)

1. Lobbyist Name		New Address? <input type="checkbox"/> Yes <input type="checkbox"/> No
Mailing Address		
City	State	
2. This report is for the period _____ (Month)	This report corrects or amends the report for _____ (Month)	Business Telephone ( ) -

ALL COMPLETE THIS PART			COMPLETE IF YOU HAVE MORE THAN ONE EMPLOYER		
Include all reportable expenditures by lobbyist and lobbyist's employer for or on behalf of the lobbyist incurred during the reporting period			Amount attributed to each employer		
Expense Category	TOTAL AMOUNT THIS MONTH All employers plus own expense (Columns a + b + c + d and attached pages)	Amounts paid from lobbyist's own funds, not reimbursed or attributed to an employer. Column A	Employer No. ____ Column B	Employer No. ____ Column C	Employer No. ____ Column D
3. COMPENSATION earned from employer for lobbying this period (salary, wages, retainer)	\$		\$	\$	\$
4. PERSONAL EXPENSES for travel, food and refreshments		\$			
5. ENTERTAINMENT, GRATUITIES, TRAVEL, SEMINARS for state officials, employees, their families (See #15)					
6. CONTRIBUTIONS to elected officials, candidates and political committees (See #16)					
7. ADVERTISING, PRINTING, INFORMATIONAL LITERATURE					
8. POLITICAL ADS, PUBLIC RELATIONS, POLLING, TELEMARKETING, ETC. (See #17)					
9. OTHER EXPENSES AND SERVICES (See #18)					
10. TOTAL COMPENSATION AND EXPENSES INCURRED THIS MONTH	\$	\$	\$	\$	\$

(Attach additional page(s) if you lobby for more than three employers.)

11. EMPLOYERS' NAMES
- No. \_\_\_\_ (B)
- No. \_\_\_\_ (C)
- No. \_\_\_\_ (D)

12. Subject matter of proposed legislation or other legislative activity or rulemaking the lobbyist was supporting or opposing.
- |                                   |  |                      |
|-----------------------------------|--|----------------------|
| Subject Matter, Issue or Bill No. | Legislative Committee or State Agency Considering Matter | Employer Represented |
|-----------------------------------|--|----------------------|

Continued on attached pages

13. Of the time spent lobbying, what percentage was devoted to lobbying: the Legislature \_\_\_\_\_% State Agencies \_\_\_\_\_%.

**14. TERMINATION: (COMPLETE THIS ITEM ONLY IF YOU WISH TO TERMINATE YOUR REGISTRATION)**

Date registration ends: \_\_\_\_\_ Employer's name: \_\_\_\_\_

I understand that an L-2 report is required for any month or portion thereof in which I am a registered lobbyist. I also understand that once I have terminated my registration, I must file a new registration prior to lobbying for that employer in the future. All registrations terminate automatically on the second Monday in January of each odd numbered year.

**CERTIFICATION**

I certify that this report is true and complete to the best of my knowledge.	LOBBYIST SIGNATURE	DATE
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Lobbyist Name

Reporting Period (Month) (Year)

15. Itemize all of the following expenditures that were incurred by lobbyist or lobbyist employer(s) for legislators, state officials, state employees and members of their immediate families. Show the actual amount incurred for each individual or the amount fairly attributed to each.

• Entertainment expenditures exceeding \$25 per occasion (including lobbyist's expense) for meals, beverages, tickets, passes, or for other forms of entertainment.

- Travel, lodging and subsistence expenses in connection with a speech, presentation, appearance, trade mission, seminar or educational program.
• Enrollment and course fees in connection with a seminar or educational program.

Lobbyists must provide an elected official with a copy of the L-2 or Memo Report if the lobbyist reports: 1) spending on one occasion over \$50 for food or beverages for the official and/or his or her family member(s); or 2) providing travel, lodging, subsistence expenses or enrollment or course fees for the official and, if permitted, the official's family.

Table with 5 columns: Date, Names of all Persons Entertained or Provided Travel, etc., Description, Place, etc., Sponsoring Employer, Amount. Includes a total row at the bottom.

Continued on attached pages.

16. If a monetary or in-kind contribution exceeding \$25 was given or transmitted by the lobbyist to any of the following, itemize the contribution below or on a Memo Report: local and state candidates or elected officials; local and state officers or employees; political committees supporting or opposing any candidate, elected official, officer or employee or any local or state ballot proposition.

Table with 4 columns: Date, Name of Individual or Committee Receiving Contribution, Source of Contribution, Amount. Includes a total row at the bottom.

If contributions were made directly by a political action committee associated, affiliated or sponsored by your employer, show name of the PAC below. (Information reported by PAC on C-4 report need not be again included in this L-2 report.)

Continued on attached pages. PAC Name:

17. Expenditures for: a) political advertising supporting or opposing a state or local candidate or ballot measure; or b) public relations, telemarketing, polling or similar activities that directly or indirectly are lobbying-related must be itemized by amount, vendor or person receiving payment, and a brief description of the activity.

18. Payments by the lobbyist for other lobbying expenses and services, including payments to subcontract lobbyists, expert witnesses and others retained to provide lobbying services or assistance in lobbying and payments for grass roots lobbying campaigns (except advertising/printing costs listed in Item 7).

Table with 4 columns: Date, Recipient's Name and Address, Employer for Whom Expense was Incurred, Amount. Includes a total row at the bottom.

Continued on attached page.

**INFORMATION CONTINUED**

**L2**

(Use this page if you need additional space for Items 12, 15 or 16)

Lobbyist Name

Reporting  
Period (Month) (Year)

12. **Subject Matter, Issue or Bill No.** **Legislative Committee or State Agency Considering Matter** **Employer Represented**

15. Date	Names of all Persons Entertained or Provided Travel, etc.	Description, Place, etc.	Sponsoring Employer	Amount \$
16. Date	Name of Individual or Committee Receiving Contribution	Source of Contribution		Amount \$

**INFORMATION CONTINUED**

**L2**

(Use this page if you need additional space for Items 17 or 18)

Lobbyist Name

Reporting  
Period (Month) (Year)

17. Date	Names of Vendor or Person Receiving Payment	Description, Place, etc.	Sponsoring Employer	Amount
				\$

18. Date	Recipient's Name and Address	Employer for Whom Expense was Incurred	Amount
			\$

## RCW 42.17A.615

### Reporting by lobbyists — Rules.

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

(2) The **monthly report shall contain:**

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

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

(c) An itemized listing of each contribution of money or of tangible or intangible personal property, whether contributed by the lobbyist personally or delivered or transmitted by the lobbyist, to any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition, or for or on behalf of any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition. All contributions made to, or for the benefit of, any candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition shall be identified by date, amount, and the name of the candidate, elected official, or officer or employee of any agency, or any political committee supporting or opposing any ballot proposition receiving, or to be benefited by each such contribution.

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

(e) **A listing of each payment for an item specified in RCW [42.52.150\(5\)](#) in excess of fifty dollars and each item specified in \*RCW [42.52.010\(10\)](#) (d) and (f) made to a state elected official, state officer, or state employee. Each item shall be identified by recipient, date, and approximate value of the item.**

(f) The total expenditures paid or incurred during the reporting period by the lobbyist for lobbying purposes, whether through or on behalf of a lobbyist or otherwise, for (i) political advertising as defined in RCW [42.17A.005](#); and (ii) public relations, telemarketing, polling, or similar activities if the activities, directly or indirectly, are intended, designed, or calculated to

influence legislation or the adoption or rejection of a rule, standard, or rate by an agency under the administrative procedure act. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity.

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

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

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

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

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

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

[2010 c 204 § 804; 1995 c 397 § 33; 1991 sp.s. c 18 § 2; 1990 c 139 § 3; 1989 c 175 § 90; 1987 c 423 § 1; 1985 c 367 § 9; 1982 c 147 § 13; 1977 ex.s. c 313 § 5; 1975 1st ex.s. c 294 § 10; 1973 c 1 § 17 (Initiative Measure No. 276, approved November 7, 1972). Formerly RCW [42.17.170](#).]

## Notes:

\***Reviser's note:** RCW [42.52.010](#) was amended by 2011 c 60 § 28, changing subsection (10)(d) and (f) to subsection (9)(d) and (f).

**Effective date -- 1995 c 397 § 33:** "Section 33 of this act takes effect September 1, 1995."  
[1995 c 397 § 36.]

**Legislative intent -- 1990 c 139:** See note following RCW [42.17A.005](#).

**Effective date -- 1989 c 175:** See note following RCW [34.05.010](#).

**Effective date -- Severability -- 1977 ex.s. c 313:** See notes following RCW [42.17A.005](#).

## L-2 Reporting Guide For Entertainment, Travel and Educational Expenditures

Typical Expenditures* (Only permitted if receipt could not reasonably be expected to influence the performance of the officer's or employee's official duties.)	Expense Included on Line 5	Expense Included on Line 15	Give Copy of L-2 or Memo Report to Elected Official
<b>Entertaining State Officials, Employees or Their Families:</b>			
<input type="checkbox"/> Any type of entertainment occasion costing \$25 or less	Yes	No	No
<input type="checkbox"/> Breakfast, lunch or dinner for legislator or other state official or employee [singly, or in conjunction with family member(s)] and total cost for occasion is: <input type="checkbox"/> \$25 or less <input type="checkbox"/> More than \$25, but \$50 or less for legislator/family <input type="checkbox"/> More than \$25, and amount attributable to legislator/family is more than \$50	Yes Yes Yes	No Yes Yes	No No Yes
<input type="checkbox"/> Reception for legislators, other officials, staff, association members, etc.	Yes	Yes	See Below**
<input type="checkbox"/> Tickets to theater, sporting events, etc. costing \$50 or less	Yes	Yes	No
<input type="checkbox"/> Golf outing at which no more than \$50 was spent on each official, including any member(s) of the official's family	Yes	Yes	No
<b>Travel-Related Expenditures for Officials, Employees:</b>			
<input type="checkbox"/> Travel, lodging, meals for office-related appearance or speech at lobbyist employer's annual conference	Yes	Yes	Yes
<input type="checkbox"/> Travel, lodging, meals for office-related tour of lobbyist employer's manufacturing plant or other facility	Yes	Yes	Yes
<b>Educational Expenditures for Officials, Employees:</b>			
<input type="checkbox"/> Travel, lodging, meals, tuition to attend seminar sponsored by non-profit organization	Yes	Yes	Yes
<b>Other Lobbying-Related Items:</b>			
<input type="checkbox"/> Flowers costing any amount to officials, staff and/or family	Yes	No	No
<input type="checkbox"/> Candy costing \$50 or less per official or employee	Yes	No	No
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Note: References to employees or staff do not constitute authority to provide impermissible items to regulatory, contracting or purchasing employees.			

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\*\*If the per person cost for food and beverages is \$50 or less and a state elected official is not accompanied by a family member, then no report needs to be given to the official. However, if an elected official attends with a spouse (or other family member) and the combined total for both is over \$50, then notice to the official is required. Also, if the cost for food and beverages is over \$50 per person expected to attend, then all elected officials in attendance must be provided an L-2 Memo Report or a copy of the appropriate L-2.

Whenever the bill for a lobbying entertainment occasion amounts to over \$25, you must itemize the event on line 15, unless all officials, employees and their family members present fully pay their own way and none of the amount you pay is attributable to them. That is, the amount you spent for a dinner, sporting event tickets, or the like only covers your own costs.

If, as part of an entertainment occasion, the actual or prorated cost for food and beverages for a state elected official (either singly or in conjunction with immediate family members) exceeds \$50, the official must be given notice of the entertainment. Notice is provided by giving a copy of the L-2 report (showing the food and beverage cost attributable to the official/family) to the official or providing the official with an L-2 Memo Report. See the L-2 Memo Report examples on page 36.

See page 7 for details on reporting legislative receptions.

**Travel:** Also itemize, as called for on the form, all expenses associated with providing a state official, employee or a member of their family with travel, lodging, meals, field trips and other excursions, and other travel-related items. Show the following:

- the date of the event;
- who attended and the amount attributable to each;
- a description of the event (plus name and city of where the event occurred);
- the sponsoring employer's identity; and
- the total spent.

According to RCW 42.52.010(9)(d) of Washington State's ethics law, the following types of travel payments are permitted:

*Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in an official capacity. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event.*

**Enrollment and Course Fees:** According to RCW 42.52.010(9)(f), the following types of payments for educational programs are permitted:

*Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide nonprofit professional, educational, or trade association, or charitable institution. As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event.*

Contact the appropriate ethics board for more information about the ethics laws noted above – telephone numbers are on page 26.

Whenever a lobbyist or lobbyist employer either waives the fees charged other attendees and/or pays the expenses of a legislator, other state official or any state employee to attend any type of occasion permitted by RCW 42.52.010(9)(f), the value of everything provided and cost of expenses incurred are reported by the lobbyist on line 5 and itemized on line 15.

**Notify Officials of Entertainment, Travel and Seminars:** State officials and some employees must annually disclose if they or their family members are provided:

- food and/or beverages costing over \$50 per occasion, either singly or in conjunction with family members,
- travel-related expenses or reimbursements of any amount, including field trips and other excursions, and/or
- admission and other costs associated with attending seminars, educational programs or training



# Reporting Special Lobbying Activities

Anyone planning to entertain state officials or employees are advised to contact the Legislation Ethics Board (360) 786-7540, the Executive Ethics Board (360) 664-0871, or the Judicial Conduct Commission (360) 753-4585 to verify that state officials and employees may legally participate in the event.

## Groups Traveling to Olympia

A large group of people decides to visit Olympia to lobby on a particular issue. For example, a delegation from a local chamber of commerce charters a bus, comes to Olympia to hold a rally on the capitol steps, has its members meet individually with legislators and hosts a reception for the purpose of entertaining and lobbying legislators. In lieu of each member of the delegation registering as a lobbyist for this brief visit, the group leader may register on an L-1 – prior to the actual lobbying taking place – and report the expenses of all members of the group on an L-2 form. The L-2 is due on the 15<sup>th</sup> of the month following the one in which the lobbying occurred. Generally, this person will terminate his or her registration on the same L-2 report that discloses the expenditures for the trip.

## Reception Hosted by a Lobbyist Employer

If a lobbyist employer pays for a legislative reception, the principal lobbyist for the employer will include on lines 5 and 15 of his/her monthly L-2 the total expenses associated with hosting the reception. On line 15, the lobbyist also must disclose the per person cost of holding the reception (by dividing the total of all costs incurred for the event by the number of persons expected to attend) and provide a list of all attendees.

In addition, if the per person cost for food and beverages only (as opposed to factoring in all reception expenses) is over \$50, then any legislator or other state elected official who attends must be sent a copy of the L-2 report or provided with an L-2 Memo Report. If an elected official attends with his or her spouse (or other family member) and over \$50 is attributable to them jointly for food and beverages, this also triggers the need to give a copy of the L-2 or an L-2 Memo Report to the official.

Note that the same circumstances that trigger giving the official a copy of the lobbying report also determine when that official will have to report receipt of the food and beverages on his or her next Personal Financial Affairs Statement (F-1). That is, if the per person expense for food and beverages is over \$50 or the official is accompanied by a family member and the cost of food and beverages attributable to them jointly is over \$50, the official will be reporting this occasion on his or her next F-1.

## Reception Hosted by Two or More Lobbyist Employers

If two or more lobbyist employers share the expenses of a reception or other entertainment event, the principal lobbyist for each employer will disclose that employer's portion of the expenses for the event on lines 5 and 15 of the L-2. In addition, one of these lobbyists will show on line 15 the per person cost of the event (by dividing the overall total cost of holding the event by the number of persons expected to attend). This lobbyist also will include a list giving the names of all person who do attend. Rather than duplicating this per person cost information and the list of attendees, the L-2 reports filed by the principal lobbyists of the other employers sponsoring the event may make reference to the lobbyist's report that contains these details.

The next step is to determine if any state elected official will have to be given information concerning what portion of the costs for food and beverages are attributable to him or her.

To do this, divide the full cost for food and beverages provided at the event by the number of persons expected to attend. If this per person cost for food and beverages is over \$50, then one of the principal lobbyists will have to send an L-2 Memo Report to each state elected official who attends. If an elected official attends with his or her spouse (or other family member) and, based on the per person cost, over \$50 is attributable to them jointly for food and beverages, this official also must be provided with an L-2 Memo Report. When completing the Memo Report, the "Source of the Gift" is all the employers who paid a portion of event costs.

## **Reception Hosted by Non-Lobbyist Employer**

If a business, organization or individual who is not a lobbyist or lobbyist employer elects to host, or be one of the hosts of, an entertainment event that is intended to influence the passage or defeat of any legislation, or the legislative action of a state agency, that person or entity is, in fact, engaging in lobbying.

In lieu of registering and reporting as a lobbyist, the principal organizer must contact PDC for guidance.

At a minimum, organizers will be asked to identify the sponsors, the amounts spent by each sponsor, the per person cost for holding the event, the per person cost for food and beverages, a list of those attending and a brief description of the event.

## **Involving Association Members in Lobbying Effort**

Some lobbyists who have associations as lobbying clients arrange to have members of the association entertain legislators from the member's district. For example, a contract lobbyist for the Widget Manufacturing Association arranges for an association member to take his state senator to lunch or dinner to discuss pending legislation. The association member uses his own funds to pay for this entertainment.

If the association member spends more than \$25 on this entertainment (including his own meal), this expenditure needs to be reported as a lobbying expense. In lieu of the association member registering and reporting, the contract lobbyist may include the expense, along with an explanation, on his or her L-2 report as an "Entertainment" expense.

If the association member spends more than \$50 on the legislator (or a combination of the official and the official's family members), the contract lobbyist must also send to the official a copy of the L-2 disclosing the expense or an L-2 Memo Report.

If the contract lobbyist in this example chooses not to report the lobbying expenditures of association members, or the lobbyist was not involved in arranging the entertainment of legislators by association members and is unaware that this activity is occurring, each association member who spends more than \$25 in connection with lobbying activities must register and report as a lobbyist.

If the association member is not reimbursed by the association for lobbying expenditures, the member will register as a "self-employed" lobbyist. Monthly L-2 reports are required until he or she terminates the registration.

## **Field Trips and Other Excursions**

Expenditures by the lobbyist or lobbyist employer for field trips or other excursions provided to elected and appointed officials must be disclosed on the monthly L-2 or an L-2 memo report. Notify these persons of the cost of travel provided to them so that they can fulfill their annual reporting requirement.

For example, if a lobbyist or lobbyist employer – alone or in conjunction with others – pays for a direct mail piece supporting a candidate, all of the lobbyist's or employer's costs associated with developing, producing and distributing the political ad must be reported on lines 8 and 17 of the L-2.

Expenditures for political ads are reportable on the L-2 (in addition to any campaign reporting that is required), whether the ad constitutes an independent expenditure or qualifies as a contribution to a candidate or ballot measure committee. However, a monetary contribution from a lobbyist or lobbyist employer to a candidate or political committee that the recipient in turn decides to spend on political advertising is not reportable by the lobbyist as a political advertising expense, but is still reportable on lines 6 and 16 as a contribution.

## L-2 Reporting Guide For Entertainment, Travel and Educational Expenditures

Typical Expenditures* (Only permitted if receipt could not reasonably be expected to influence the performance of the officer's or employee's official duties.)	Expense Included on Line 5	Expense Included on Line 15	Give Copy of L-2 or Memo Report to Elected Official
<b>Entertaining State Officials, Employees or Their Families:</b>			
<input type="checkbox"/> Any type of entertainment occasion costing \$25 or less	Yes	No	No
<input type="checkbox"/> Breakfast, lunch or dinner for legislator or other state official or employee [singly, or in conjunction with family member(s)] and total cost for occasion is: <input type="checkbox"/> \$25 or less <input type="checkbox"/> More than \$25, but \$50 or less for legislator/family <input type="checkbox"/> More than \$25, and amount attributable to legislator/family is more than \$50	Yes Yes Yes	No Yes Yes	No No Yes
<input type="checkbox"/> Reception for legislators, other officials, staff, association members, etc.	Yes	Yes	See Below**
<input type="checkbox"/> Tickets to theater, sporting events, etc. costing \$50 or less	Yes	Yes	No
<input type="checkbox"/> Golf outing at which no more than \$50 was spent on each official, including any member(s) of the official's family	Yes	Yes	No
<b>Travel-Related Expenditures for Officials, Employees:</b>			
<input type="checkbox"/> Travel, lodging, meals for office-related appearance or speech at lobbyist employer's annual conference	Yes	Yes	Yes
<input type="checkbox"/> Travel, lodging, meals for office-related tour of lobbyist employer's manufacturing plant or other facility	Yes	Yes	Yes
<b>Educational Expenditures for Officials, Employees:</b>			
<input type="checkbox"/> Travel, lodging, meals, tuition to attend seminar sponsored by non-profit organization	Yes	Yes	Yes
<b>Other Lobbying-Related Items:</b>			
<input type="checkbox"/> Flowers costing any amount to officials, staff and/or family	Yes	No	No
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- the date of the event;
- who attended and the amount attributable to each;
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- the sponsoring employer's identity; and
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Refer to instruction manual for detailed assistance and examples.  <b>Deadlines:</b> Incumbent elected and appointed officials -- by April 15. Candidates and others -- within two weeks of becoming a candidate or being newly appointed to a position.  <b>SEND REPORT TO PUBLIC DISCLOSURE COMMISSION</b>	<b>DOLLAR CODE</b> <b>AMOUNT</b> A \$1 to \$3,999 B \$4,000 to \$19,999 C \$20,000 to \$39,999 D \$40,000 to \$99,999 E \$100,000 or more	R E C E I V E D
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Last Name _____ First _____ Middle Initial _____	Names of immediate family members, including registered domestic partner. If there is no reportable information to disclose for dependent children, or other dependents living in your household, do not identify them. Do identify your spouse or registered domestic partner. See F-1 manual for details.
Mailing Address (Use PO Box or Work Address) * _____	
City _____ County _____ Zip + 4 _____	

<b>Filing Status (Check only one box.)</b> <input type="checkbox"/> An elected or state appointed official filing annual report <input type="checkbox"/> Final report as an elected official. Term expired: _____ <input type="checkbox"/> Candidate running in an election: month _____ year _____ <input type="checkbox"/> Newly appointed to an elective office <input type="checkbox"/> Newly appointed to a state appointive office <input type="checkbox"/> Professional staff of the Governor's Office and the Legislature	<b>Office Held or Sought</b>  Office title: _____  County, city, district or agency of the office, name and number: _____  Position number: _____  Term begins: _____ ends: _____
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1	INCOME	<b>List each employer, or other source of income (pension, social security, legal judgment, etc.) from which you or a family member, including registered domestic partner, received \$2,000 or more during the period. Include stock options received during the reporting period that had a value of \$2,000 or more. (Report interest and dividends in Item 3.)</b>
Show Self (S) Spouse (SP/DP) Dependent (D)	Name and Address of Employer or Source of Compensation _____          Check Here <input type="checkbox"/> if continued on attached sheet	Occupation or How Compensation Was Earned _____          Amount: _____ (Use Code)

2	REAL ESTATE	<b>List street address, assessor's parcel number, or legal description AND county for each parcel of Washington real estate with value of over \$10,000 in which you or a family member, including registered domestic partner, held a personal financial interest during the reporting period. (Show partnership, company, etc. real estate on F-1 supplement.)</b>			
Property Sold or Interest Divested	Assessed Value (Use Code)	Name and Address of Purchaser	Nature and Amount (Use Code) of Payment or Consideration Received		
Property Purchased or Interest Acquired		Creditor's Name/Address	Payment Terms	Security Given	Mortgage Amount - (Use Code) Original _____ Current _____
All Other Property Entirely or Partially Owned					
Check here <input type="checkbox"/> if continued on attached sheet					

### 3 ASSETS / INVESTMENTS - INTEREST / DIVIDENDS

List bank and savings accounts, insurance policies, stock, bonds and other intangible property (including but not limited to stock options) held during the reporting period.

A. Name and address of each bank or financial institution in which you, a family member, including registered domestic partner, had an account over \$20,000 any time during the report period.	Type of Account or Description of Asset	Asset Value (Use Code)	Income Amount (Use Code)
B. Name and address of each insurance company where you, a family member, including registered domestic partner, had a policy with a cash or loan value over \$20,000 during the period.			
C. Name and address of each company, association, government agency, etc. in which you, a family member, including registered domestic partner, owned or had a financial interest worth over \$2,000. Include stocks, bonds, ownership, retirement plan, IRA, notes, stock options, and other intangible property. If you, your spouse, registered domestic partner and/or dependents had decision making authority regarding individual assets/investments list each asset or investment, the value and any income amount. EXAMPLE: If you self-directed an investment account identify each stock or other asset in that account.			

Check here  if continued on attached sheet.

### 4 CREDITORS

List each creditor you or a family member, including registered domestic partner, owed \$2,000 or more any time during the period. Don't include retail charge accounts, credit cards, or mortgages or real estate reported in Item 2.

Creditor's Name and Address	Terms of Payment	Security Given	AMOUNT (USE CODE)	
			Original	Present
Check here <input type="checkbox"/> if continued on attached sheet.				

### 5 All filers answer questions A thru D below. If the answer is YES to any of these questions, the F-1 Supplement must also be completed as part of this report. If all answers are NO and you are a candidate for state or local office, an appointee to a vacant elective office, or a state executive officer filing your initial report, no F-1 Supplement is required.

**Incumbent elected officials and state executive officers filing an annual financial affairs report also must answer question E. An F-1 Supplement is required of these officeholders unless all answers to questions A thru E are NO.**

- A. At any time during the reporting period were you, your spouse, registered domestic partner or dependents (1) an officer, director, general partner or trustee of any corporation, company, union, association, joint venture or other entity or (2) a partner or member of any limited partnership, limited liability partnership, limited liability company or similar entity including but not limited to a professional limited liability company? \_\_\_\_ If yes, complete Supplement, Part A.
- B. Did you, your spouse, registered domestic partner or dependents have an ownership of 10% or more in any company, corporation, partnership, joint venture or other business at any time during the reporting period? \_\_\_\_ If yes, complete Supplement, Part A.
- C. Did you, your spouse, registered domestic partner or dependents own a business at any time during the reporting period? \_\_\_\_ If yes, complete Supplement, Part A.
- D. Did you, your spouse, registered domestic partner or dependents prepare, promote or oppose state legislation, rules, rates or standards for compensation or deferred compensation (other than pay for a currently-held public office) at any time during the reporting period? \_\_\_\_ If yes, complete Supplement, Part B.
- E. **Only for Persons Filing Annual Report.** Regarding the receipt of items not provided or paid for by your governmental agency during the previous calendar year: 1) Did you, your spouse, registered domestic partner or dependents (or any combination thereof) accept a gift of food or beverages costing over \$50 per occasion? \_\_\_\_ or 2) Did any source other than your governmental agency provide or pay in whole or in part for you, your spouse, registered domestic partner and/or dependents to travel or to attend a seminar or other training? \_\_\_\_ If yes to either or both questions, complete Supplement, Part C.

**ALL FILERS EXCEPT CANDIDATES.** Check the appropriate box.

I hold a state elected office, am an executive state officer or professional staff. I have read and am familiar with RCW 42.52.180 regarding the use of public resources in campaigns.

I hold a local elected office. I have read and am familiar with RCW 42.17A.555 regarding the use of public facilities in campaigns.

**\*CANDIDATES:** Do not use public agency addresses or telephone numbers for contact information.

**CERTIFICATION:** I certify under penalty of perjury that the information contained in this report is true and correct to the best of my knowledge.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Contact Telephone: (     ) \*

Email: \_\_\_\_\_(work) \*

Email: \_\_\_\_\_(Home) Optional

**REPORT NOT ACCEPTABLE WITHOUT FILER'S SIGNATURE**



# Information Continued

# F-1

Name				
<b>1 INCOME</b> (continued)				
Show Self (S) Spouse (SP) Dependent (D)				
	Name and Address of Employer or Source of Compensation	Occupation or How Compensation Was Earned	Amount: (Use Code)	
<b>2 REAL ESTATE</b> (continued)				
Property Sold or Interest Divested	Assessed Value (Use Code)	Name and Address of Purchaser	Nature and Amount (Use Code) of Payment or Consideration Received	
Property Purchased or Interest Acquired		Creditor's Name/Address	Payment Terms	Security Given
All Other Property Entirely or Partially Owned			Mortgage Amount - (Use Code)	Original Current
<b>3 ASSETS / INVESTMENTS - INTEREST / DIVIDENDS</b> (continued)				
A. Name and address of each bank or financial institution	Type of Account or Description of Asset	Asset Value (Use Code)	Income Amount (Use Code)	
B. Name and address of each insurance company				
C. Name and address of each company, association, government agency				
<b>4 CREDITORS</b> (continued)				<b>AMOUNT (USE CODE)</b>
Creditor's Name and Address	Terms of Payment	Security Given	Original	Present



**PUBLIC DISCLOSURE COMMISSION**

711 CAPITOL WAY RM 206  
PO BOX 40908  
OLYMPIA WA 98504-0908  
(360) 753-1111  
TOLL FREE 1-877-601-2828  
EMAIL: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov)

PDC FORM

**F-1**  
**SUPPLEMENT**  
(1/12)

**SUPPLEMENT PAGE**  
**PERSONAL FINANCIAL AFFAIRS STATEMENT**

**PROVIDE INFORMATION FOR YOURSELF, SPOUSE, REGISTERED DOMESTIC PARTNER, DEPENDENT CHILDREN AND OTHER DEPENDENTS IN YOUR HOUSEHOLD**

Last Name	First	Middle Initial	DATE
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**A**

**OFFICE HELD, BUSINESS INTERESTS:**

Provide the following information if, during the reporting period, you, your spouse, registered domestic partner or dependents

- (1) were an officer, director, general partner, trustee, or 10 percent or more owner of a corporation, non-profit organization, union, partnership, joint venture or other entity; and/or
- (2) were a partner or member of a limited partnership, limited liability partnership, limited liability company or similar entity, including but not limited to a professional limited liability company.

- Legal Name: Report name used on legal documents establishing the entity.
- Trade or Operating Name: Report name used for business purposes if different from the legal name.
- Position or Percent of Ownership: The office, title and/or percent of ownership held.
- Brief Description of the Business/Organization: Report the purpose, product(s), and/or the service(s) rendered.
- Payments from Governmental Unit: If the governmental unit in which you hold or seek office made payments to the business entity concerning which you're reporting, show the purpose of each payment and the actual amount received.
- Payments from Business Customers and Other Government Agencies: List each corporation, partnership, joint venture, sole proprietorship, union, association, business or other commercial entity and each government agency (other than the one you seek/hold office) which paid compensation of \$10,000 or more during the period to the entity. Briefly say what property, goods, services or other consideration was given or performed for the compensation.
- Washington Real Estate: Identify real estate owned by the business entity if the qualifications referenced below are met.

**ENTITY NO. 1**

Reporting For: Self  Spouse

Registered Domestic Partner  Dependent

LEGAL NAME:

POSITION OR PERCENT OF OWNERSHIP

TRADE OR OPERATING NAME:

ADDRESS:

BRIEF DESCRIPTION OF THE BUSINESS/ORGANIZATION:

PAYMENTS ENTITY RECEIVED FROM GOVERNMENTAL UNIT IN WHICH YOU SEEK/HOLD OFFICE:

Purpose of payments

Amount (actual dollars)

\$

PAYMENTS ENTITY RECEIVED FROM OTHER GOVERNMENT AGENCIES OF \$10,000 OR MORE:

Agency name:

Purpose of payment (amount not required)

PAYMENTS ENTITY RECEIVED FROM BUSINESS CUSTOMERS OF \$10,000 OR MORE

Customer name:

Purpose of payment (amount not required)

WASHINGTON REAL ESTATE IN WHICH ENTITY HELD A DIRECT FINANCIAL INTEREST (Complete only if ownership in the ENTITY is 10% or more and assessed value of property is over \$20,000. List street address, assessor parcel number, or legal description and county for each parcel):

Check here  if continued on attached sheet

**CONTINUE PARTS B AND C ON NEXT PAGE**

Name

---

**ENTITY NO. 2** Reporting For: Self  Spouse

Registered Domestic Partner  Dependent

LEGAL NAME: POSITION OR PERCENT OF OWNERSHIP

TRADE OR OPERATING NAME:

ADDRESS:

BRIEF DESCRIPTION OF THE BUSINESS/ORGANIZATION:

PAYMENTS ENTITY RECEIVED FROM GOVERNMENTAL UNIT IN WHICH YOU SEEK/HOLD OFFICE:

Purpose of payments	Amount (actual dollars)
	\$

PAYMENTS ENTITY RECEIVED FROM OTHER GOVERNMENT AGENCIES OF \$10,000 OR MORE:

Agency name:	Purpose of payment (amount not required)
--------------	--

PAYMENTS ENTITY RECEIVED FROM BUSINESS CUSTOMERS OF \$10,000 OR MORE

Customer name:	Purpose of payment (amount not required)
----------------	--

WASHINGTON REAL ESTATE IN WHICH ENTITY HELD A DIRECT FINANCIAL INTEREST (Complete only if ownership in the ENTITY is 10% or more and assessed value of property is over \$20,000. List street address, assessor parcel number, or legal description and county for each parcel):

Check here  if continued on attached sheet

**B LOBBYING:** List persons for whom you, or any immediate family member, including registered domestic partner, lobbied or prepared state legislation or state rules, rates, or standards for compensation or deferred compensation. Do not list pay from government body in which you are an elected official or professional staff member.

Person to Whom Services Rendered	Description of Legislation, Rules, Etc.	Compensation (Use Code)

Check here  if continued on attached sheet

**C FOOD TRAVEL SEMINARS** Complete this section if a source other than your own governmental agency paid for or otherwise provided all or a portion of the following items to you, your spouse, registered domestic partner or dependents, or a combination thereof: 1) Food and beverages costing over \$50 per occasion; 2) Travel occasions; or 3) Seminars, educational programs or other training.

Date Received	Donor's Name, City and State	Brief Description	Actual Dollar Amount	Value (Use Code)
			\$	

Check here  if continued on attached sheet

**Information Continued**

**F-1 Supplement**

Name

---

**ENTITY NO.** Reporting For: Self  Spouse   
 Registered Domestic Partner  Dependent

LEGAL NAME: POSITION OR PERCENT OF OWNERSHIP

TRADE OR OPERATING NAME:

ADDRESS:

BRIEF DESCRIPTION OF THE BUSINESS/ORGANIZATION:

PAYMENTS ENTITY RECEIVED FROM GOVERNMENTAL UNIT IN WHICH YOU SEEK/HOLD OFFICE:  
 Purpose of payments Amount (actual dollars)  
 \$

PAYMENTS ENTITY RECEIVED FROM OTHER GOVERNMENT AGENCIES OF \$10,000 OR MORE:  
 Agency name: Purpose of payment (amount not required)

PAYMENTS ENTITY RECEIVED FROM BUSINESS CUSTOMERS OF \$10,000 OR MORE  
 Customer name: Purpose of payment (amount not required)

WASHINGTON REAL ESTATE IN WHICH ENTITY HELD A DIRECT FINANCIAL INTEREST (Complete only if ownership in the ENTITY is 10% or more and assessed value of property is over \$20,000. List street address, assessor parcel number, or legal description and county for each parcel):

**B LOBBYING:** (Continued)

Person to Whom Services Rendered	Description of Legislation, Rules, Etc.	Compensation (Use Code)

**C FOOD TRAVEL SEMINARS** (continued)

Date Received	Donor's Name, City and State	Brief Description	Actual Dollar Amount \$	Value (Use Code)



## History of Legislation Governing Lobbyists' L-2 Reporting of Entertainment, Food & Beverages, & Gifts; & Public Officials' F-1 Reporting of Gifts

### Year   Activity

**1972 LOBBYISTS.** Initiative 276 passed. Section 17 required lobbyists' monthly reports of total expenditures to be reported and segregated by category, including "food and refreshments"; quarterly (& weekly reports during session) are also to include reports of "food and refreshments." That became the L-2 form.

Itemized expenditures must include each expenditure for "food and refreshments". Each expenditure of more than \$15 for "entertainment" must include names of all persons "partaking in the entertainment" including "any portion attributable to the lobbyist's participation therein but without allocating any portion of such expenditure to individual participants." [*Initiative 276*]

**1977 LOBBYISTS.** Legislature increased \$15 entertainment reporting threshold expenditure to \$25. [*Laws of 1977, 1<sup>st</sup> ex. sess., ch. 313*]

**1985 LOBBYISTS – RULES.** Legislature provided Commission the authority to require lobbyists to report "such other information relevant to lobbying activities as the commission shall by rule prescribe." [*Laws of 1985, ch. 367*]

**THRESHOLDS.** Legislature amended RCW 42.17 to provide Commission authority to adjust monetary reporting thresholds and reporting code values by rule. [*Laws of 1985, ch. 367*]

**1991 LOBBYISTS.** Legislature amended the lobbying law to:

- Require lobbyists to report on the L-2 expenditures each "single hosted reception" when the expenditure is "more than one hundred dollars per person partaking therein." At that threshold, the lobbyist must report the "per person amount, which shall be determined by dividing the total amount of the expenditure by the total number of persons partaking in the reception."
- Require lobbyists to report "a listing of each gift" to person lobbied (by date, value and name of recipient). "However, for a hosted reception...the approximate value for the gift of partaking in the event is the average per person amount." The Commission was required to "adopt forms to be used for the reporting of gifts." Lobbyists were required to transmit a copy of those forms to elected officials who are (or their immediate family members are) identified in the gift report.  
[*Laws of 1991, 1<sup>st</sup> sp. sess., ch. 18*]

**F-1 FILERS - GIFTS.** Legislature amended the law to add "each gift" to the information that had to be reported by an F-1 filer under RCW 42.17. RCW 42.17 defined gift to include many items "in excess of \$50" but did not include "hosting in the form of entertainment, meals or refreshments, the value of which does not exceed \$50, furnished in connection with official appearances, official ceremonies, and occasions where official agency business is discussed." (Former RCW 42.17.021(2)).  
[*Laws of 1991, 1<sup>st</sup> sp. sess., ch. 18*]

**1994 STATE OFFICIALS & EMPLOYEES (F-1 FILERS) - GIFTS.** Legislature passed State Ethics Act at RCW 42.52. The new law defined “gifts.” It provided that state employees and state elected officials cannot receive gifts > \$50, with several exceptions. Exceptions included:

- “Food and beverages consumed at hosted receptions where attendance is related to the state officer’s or state employee’s official duties”;
- “Admission to, and the cost of food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization”; and,
- In addition, they may accept “gifts in the form of food and beverage on infrequent occasions in the ordinary course of meals where attendance by the officer or employee is related to the performance of official duties.”

In addition, “Gifts in the form of food and beverages that exceed fifty dollars on a single occasion shall be reported as provided in chapter 42.17 RCW.”

The value of gifts to these employees’ family members is attributable to the employee.  
[Laws of 1994, ch. 154]

**1995 LOBBYISTS.** Legislature amended the lobbyist reporting law for the L-2. The Legislature retained the requirement that lobbyists report “entertainment” expenditures > \$25, but the amendments now required lobbyists to report the amount actually spent on each person entertained, or if that is not calculable, to allocate a portion of the overall expense to each participant. It deleted the “hosted reception of more than \$100” reporting language. [Laws of 1995, ch. 397]

Legislature also eliminated the requirement that lobbyists itemize all “gifts” provided. Instead, lobbyists must itemize expenditures on one occasion of over \$50 for food and beverages for an official (and his/her family members); and for speeches, presentations, appearances, trade missions, enrollment and course fees, referencing the State Ethics Law. (This change made the lobbyist reporting law more comparable to the State Ethics Law.) [Laws of 1995, ch. 397]

**LOBBYISTS – RULES.** Legislature amended Commission rulemaking authority for L-2 reporting to provide, “The Commission may adopt rules to vary the content of lobbyist reports to address specific circumstances, consistent with this section.” [Laws of 1995, ch. 397] Commission amended L-2 form to bring it into compliance with the new law. For the same reason, in 1995-96 the Commission also discussed and approved PDC Interpretation 96-03, *L-2 Reporting Guide for Entertainment, Travel and Educational Expenditures*. The chart lists most food and beverages in the “entertainment” section (breakfast, lunch, dinner and receptions), thus requiring them to be itemized when they are >\$25. [Interpretation 96-03] Candy and fruit baskets are treated separately (more like gifts).

**F-1 FILERS – GIFTS.** Legislature amended F-1 filing law. Legislature repealed requirement that the F-1 filer report “each gift” and the gift definition in RCW 42.17. Instead, filer is to report “a listing 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)” [State Ethics Law] and “a list of each occasion, specifying date, donor and amount, at which items specified in RCW 42.52.010(9)(d) and (f) [State Ethics Law] were accepted.” (This change made the F-1 filing law more comparable to the lobbyist reporting law and the State Ethics Law.) [Laws of 1995, ch. 397] The Commission amended the F-1 forms to bring them into compliance with the new law.

**2009 LOBBYISTS.** Staff held a stakeholder meeting to discuss adjusting the lobbyist reporting thresholds. Only one person attended.

# Summary of ESSB 5684 Re Lobbyists

August 31, 1995

## Registration and Reporting

**Exemption:** Neither registration nor reporting is required with respect to participating in an agency's efforts to promote rule making consensus as long as the person's participation has been solicited by the agency under RCW 34.05.310(2). The exemption only applies to activities taking place prior to publication of notice and the adoption hearing on a proposed rule. [RCW 42.17.160 as amended by section 32 of ESSB 5684]

[RCW 42.17.170(2)(f) as amended by section 33 of ESSB 5684]

**Notice to Elected Officials:** If a lobbyist makes one of the food/beverages, travel or educational expenditures described above with respect to the Governor, Lt. Governor, a legislator or other state elected official (or a family member of one of these officials), the lobbyist must still provide a copy of the L-2 or Memo Report disclosing the expense to the elected official. [RCW 42.17.170(3) as amended by section 33 of ESSB 5684]

## Lobbyist Expenditure Reporting

### **Attribution of Entertainment Expenses:**

Regarding the itemization of entertainment occasions costing over \$25 on monthly L-2 reports, lobbyists must show the amount actually spent on each person entertained, or if that is not calculable, allocate a portion of the overall expense to each participant. [RCW 42.17.170(2)(a) as amended by section 33 of ESSB 5684]

**Itemizing Contributions:** Requires that contributions from the lobbyist's own funds as well as those from others that are transmitted or delivered by the lobbyist be itemized on the L-2 or the L-2 Memo Report. For example, if a lobbyist delivers a contribution to a state or local candidate or ballot issue committee from a PAC with which the lobbyist's employer is associated, that contribution must be itemized on the lobbyist's report (and also appear on the PAC's C-4 report). Note, lobbyists must still give notice to each state or local candidate or ballot issue committee to whom a contribution was made and reported on an L-2 or L-2 Memo Report. [RCW 42.17.170(2)(c) as amended by section 33 of ESSB 5684]

**New "Gift" Reporting:** Certain items that may be permissible under the Ethics Law (RCW 42.52) for lobbyists to give to state officials, employees and their family members are also reportable in detail on the L-2 or the L-2 Memo Report:

- 1) Expenditures on one occasion of over \$50 for food and beverages for an official and/or his or her family member(s). [Expense must be permitted under RCW 42.52.150(5).]
- 2) Expenditures for travel, lodging, and subsistence expenses in connection with an official speech, presentation, appearance, or trade mission. [Expense must be permitted under RCW 42.52.010(9)(d).]
- 3) Expenditures for travel, lodging, and subsistence expenses as well as enrollment and course fees for attending seminars and educational programs sponsored by a bona fide nonprofit professional, educational, or trade association or charitable institution. [Expense must be permitted under RCW 42.52.010(9)(f).]

**Political Ads, Public Relations, Telemarketing and Polling:** If a lobbyist or lobbyist employer makes an expenditure for a) political advertising supporting or opposing a state or local candidate or ballot measure, or b) public relations, telemarketing, polling or similar activities that directly or indirectly are lobbying-related, the expenditure must be itemized by amount, identity of the vendor or other person paid, and a brief description of the activity. [RCW 42.17.170(2)(g) as amended by sec. 33 of ESSB 5684]

**Format of Reports:** The Commission may vary the content of reports to address specific circumstances; e.g., design the L-2 Memo Report for giving notice to elected officials and others. [RCW 42.17.170(4) as amended by sec. 33 of ESSB 5684]

RCW	SUBJECT MATTER	CURRENT AMT	ENACTED DATE	ADJUSTED AMT
.600(1)(i)	member/funder	\$500.00	Jan-73	\$2,294.11
.610(5)	exempt from reg	\$25	Jul-82	\$57.57
.615(a)	entertainment	\$25.00	Jan-78	\$81.02
.615(e)	food & bev	\$50.00	Jul-95	\$72.85
.625	LMCs	\$1,000	Jan-02	\$1,278.68
.630(1)	C-7 threshold	amounts adjusted in WAC 390-05-400		
.630(1)(a)	compensation	amounts adjusted in WAC 390-24-301		
.630(2)(a)	L3c disclosure	\$100	Jun-90	\$169.56
.635(5)(d)(v)(B)	L5/personal \$\$	\$15	Sep-79	\$45.34
.640(1)	grass roots	\$1,000	Dec-85	\$2,017.24
		\$500	Dec-85	\$1,008.62

LOBBYING THRESHOLD ADJUSTMENTS PRELIMINARY ANALYSIS - DRAFT FOR DISCUSSION PURPOSES - OCTOBER 2013