

**PDC Request Legislation - Initial DRAFT**

9/15/23

AN ACT Relating to . . . .

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

**Sec. 1.** RCW 42.17A.205 and 2019 c 428 s 14 are each amended to read as follows:

**RCW Caption:** Statement of organization by political committees.

(1) Every political committee shall file a statement of organization with the commission. The statement must be filed within two weeks after organization or within two weeks after the date the committee first has the expectation of receiving contributions or making expenditures in any election campaign, whichever is earlier. A political committee organized within (~~the last three weeks~~) the period beginning the first day of the last full month before an election and having the expectation of receiving contributions or making expenditures during and for that election campaign shall file a statement of organization within three business days after its organization or when it first has the expectation of receiving contributions or making expenditures in the election campaign.

(2) The statement of organization shall include but not be limited to:

(a) The name, address, and electronic contact information of the committee;

(b) The names, addresses, and electronic contact information of all related or affiliated committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders;

(d) The name, address, and electronic contact information of its treasurer and depository;

**Commented [FS(1):** Changes the expedited registration period from 3 weeks before the election to the start of the last full month before the election.

Corresponds with the extension of the expenditure reporting period so that newly formed PACs will be covered by the new schedule.

(e) A statement whether the committee is a continuing one;

(f) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing, and, if the committee is supporting the entire ticket of any party, the name of the party;

(g) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition;

(h) What distribution of surplus funds will be made, in accordance with RCW 42.17A.430, in the event of dissolution;

(i) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter;

(j) The name, address, and title of any person who authorizes expenditures or makes decisions on behalf of the candidate or committee; and

(k) The name, address, and title of any person who is paid by or is a volunteer for a candidate or political committee to perform ministerial functions and who performs ministerial functions on behalf of two or more candidates or committees.

(3) No two political committees may have the same name.

(4) Any material change in information previously submitted in a statement of organization shall be reported to the commission within the ten days following the change.

(5) As used in this section, the "name" of a sponsored committee must include the name of the person who is the sponsor of the committee. If more than one person meets the definition of sponsor, the name of the committee must include the name of at least one sponsor, but may include the names of other sponsors. A person may sponsor only one political committee for the same elected office or same ballot proposition per election cycle.

**Sec. 2.** RCW 42.17A.207 and 2019 c 428 s 15 are each amended to read as follows:

Commented [FS(2)]: Same policy as Section 1.

(1) (a) An incidental committee must file a statement of organization with the commission within two weeks after the date the committee first:

(i) Has the expectation of making any expenditures aggregating at least twenty-five thousand dollars in a calendar year in any election campaign, or to a political committee; and

(ii) Is required to disclose a payment received under RCW 42.17A.240(2)(d).

(b) If an incidental committee first meets the criteria requiring filing a statement of organization as specified in (a) of this subsection (~~(in the last three weeks)~~) within the period beginning the first day of the last full month before an election, then it must file the statement of organization within three business days.

(2) The statement of organization must include but is not limited to:

(a) The name, address, and electronic contact information of the committee;

(b) The names and addresses of all related or affiliated political or incidental committees or other persons, and the nature of the relationship or affiliation;

(c) The names, addresses, and titles of its officers; or if it has no officers, the names, addresses, and titles of its responsible leaders and the name of the person designated as the treasurer of the incidental committee;

(d) The name, office sought, and party affiliation of each candidate whom the committee is supporting or opposing if the committee contributes directly to a candidate and, if donating to a political committee, the name and address of that political committee;

(e) The ballot proposition concerned, if any, and whether the committee is in favor of or opposed to such proposition; and

(f) Such other information as the commission may by rule prescribe, in keeping with the policies and purposes of this chapter.

(3) Any material change in information previously submitted in a statement of organization must be reported to the commission within the ten days following the change.

**Sec. 3.** RCW 42.17A.235 and 2019 c 428 s 20 are each amended to read as follows:

**RCW Caption:** Reporting of contributions and expenditures—Public inspection of accounts.

(1) (a) In addition to the information required under RCW 42.17A.205 and 42.17A.210, each candidate or political committee must file with the commission a report of all contributions received and expenditures made as a political committee on the next reporting date pursuant to the timeline established in this section.

(b) In addition to the information required under RCW 42.17A.207 and 42.17A.210, on the day an incidental committee files a statement of organization with the commission, each incidental committee must file with the commission a report of any election campaign expenditures under \*RCW 42.17A.240(~~(+6)~~) (7), as well as the source of the ten largest cumulative payments of ten thousand dollars or greater it received in the current calendar year from a single person, including any persons tied as the tenth largest source of payments it received, if any.

(2) Each treasurer of a candidate or political committee, or an incidental committee, required to file a statement of organization under this chapter, shall file with the commission a report, for each election in which a candidate, political committee, or incidental committee is participating, containing the information required by RCW 42.17A.240 at the following intervals:

(a) On the (~~twenty-first day and the seventh day~~) twenty-seventh day, the twentieth day, and the sixth day immediately preceding the date on which the election is held; and

**Commented [FS(3):** Includes a single additional expenditure report (C-4) at 27 days before the election.

\*The Commission could also consider making the new reporting date due 34 days before the election, which would maintain the existing 2-week intervals between the 21/7 day reports.

Provides an additional day (48 hour total) for treasurers to prepare each C-4 report.

(b) On the tenth day of the first full month after the election.

(3) (a) Each treasurer of a candidate or political committee shall file with the commission a report on the tenth day of each month during which the candidate or political committee is not ~~((participating in an election campaign))~~ otherwise required to report under subsection (2) of this section, only if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars.

(b) Each incidental committee shall file with the commission a report on the tenth day of each month during which the incidental committee is not otherwise required to report under this section only if the committee has:

(i) Received a payment that would change the information required under RCW 42.17A.240(2)(d) as included in its last report; or

(ii) Made any election campaign expenditure reportable under \*RCW 42.17A.240(~~((6))~~) (7) since its last report, and the total election campaign expenditures made since the last report exceed two hundred dollars.

(4) The ~~((report))~~ reports filed twenty-seven days, twenty-one days, and six days before the election shall report all contributions received and expenditures made ~~((as of))~~ from the closing date of the last report filed through the end of ((one business day)) two calendar days before the date of ~~((the report))~~ each filing. ~~((The report filed seven days before the election shall report all contributions received and expenditures made as of the end of one business day before the date of the report.))~~ Reports filed on the tenth day of the month shall report all contributions received and expenditures made from the closing date of the last report filed through the last day of the month preceding the date of the current report.

(5) For the period beginning the first day of the fourth month preceding the date of the special election, or for the period beginning the first day of the fifth month before the date of the general election, and ending on the date of that special or general election, each Monday the treasurer for a candidate or a political committee shall file with the commission a report of each bank deposit made during the previous seven calendar days. The report shall contain the name of each person contributing the funds and the amount contributed by each person. However, persons who contribute no more than twenty-five dollars in the aggregate are not required to be identified in the report. A copy of the report shall be retained by the treasurer for the treasurer's records. In the event of deposits made by candidates, political committee members, or paid staff other than the treasurer, the copy shall be immediately provided to the treasurer for the treasurer's records. Each report shall be certified as correct by the treasurer.

(6) (a) The treasurer for a candidate or a political committee shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five business days of receipt or expenditure. During the ten calendar days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the political committee's statement of organization filed under RCW 42.17A.205, the books of account must be open for public inspection by appointment at a place agreed upon by both the treasurer and the requestor, for inspections between 9:00 a.m. and 5:00 p.m. on any day from the tenth calendar day immediately before the election through the day immediately before the election, other than Saturday, Sunday, or a legal holiday. It is a violation of this chapter for a candidate or political committee to refuse to allow and keep an appointment for an inspection to be conducted during these authorized times and days. The appointment must be allowed at an authorized time and day for such inspections that is within forty-eight hours of the time and day that is requested for the

inspection. The treasurer may provide digital access or copies of the books of account in lieu of scheduling an appointment at a designated place for inspection. If the treasurer and requestor are unable to agree on a location and the treasurer has not provided digital access to the books of account, the default location for an appointment shall be a place of public accommodation selected by the treasurer within a reasonable distance from the treasurer's office.

(b) At the time of making the appointment, a person wishing to inspect the books of account must provide the treasurer the name and telephone number of the person wishing to inspect the books of account. The person inspecting the books of account must show photo identification before the inspection begins.

(c) A treasurer may refuse to show the books of account to any person who does not make an appointment or provide the required identification. The commission may issue limited rules to modify the requirements set forth in this section in consideration of other technology and best practices.

(7) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection (6) of this section.

(8) The treasurer or candidate shall preserve books of account, bills, receipts, and all other financial records of the campaign or political committee for not less than five calendar years following the year during which the transaction occurred or for any longer period as otherwise required by law.

(9) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

(10) Where there is not a pending complaint concerning a report, it is not evidence of a violation of this section to submit an amended report within twenty-one days of filing an initial report if:

(a) The report is accurately amended;

(b) The amended report is filed more than thirty days before an election;

(c) The total aggregate dollar amount of the adjustment for the amended report is within three times the contribution limit per election or two hundred dollars, whichever is greater; and

(d) The committee reported all information that was available to it at the time of filing, or made a good faith effort to do so, or if a refund of a contribution or expenditure is being reported.

(11) (a) When there is no outstanding debt or obligation, the campaign fund is closed, the campaign is concluded in all respects, and the political committee has ceased to function and intends to dissolve, the treasurer shall file a final report. Upon submitting a final report, the political committee so intending to dissolve must file notice of intent to dissolve with the commission and the commission must post the notice on its website.

(b) Any political committee may dissolve sixty days after it files its notice to dissolve, only if:

(i) The political committee does not make any expenditures other than those related to the dissolution process or engage in any political activity or any other activities that generate additional reporting requirements under this chapter after filing such notice;

(ii) No complaint or court action under this chapter is pending against the political committee; and

(iii) All penalties assessed by the commission or court order have been paid by the political committee.

(c) The political committee must continue to report regularly as required under this chapter until all the conditions under (b) of this subsection are resolved.

(d) Upon dissolution, the commission must issue an acknowledgment of dissolution, the duties of the treasurer shall cease, and there shall be no further obligations under this chapter. Dissolution does not absolve the candidate or board of the committee from responsibility for any future obligations resulting from the



finding after dissolution of a violation committed prior to dissolution.

(12) The commission must adopt rules for the dissolution of incidental committees.

**Sec. 4.** RCW 42.17A.255 and 2020 c 152 s 5 are each amended to read as follows:

**Commented [FS(4):** Same policy as Section 3, as applied to independent expenditure (C-6) reports.

(1) For the purposes of this section the term "independent expenditure" means any expenditure that is made in support of or in opposition to any candidate or ballot proposition and is not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, and 42.17A.240. "Independent expenditure" does not include: An internal political communication primarily limited to the contributors to a political party organization or political action committee, or the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this section, means services or labor for which the individual is not compensated by any person.

(2) Within five days after the date of making an independent expenditure that by itself or when added to all other such independent expenditures made during the same election campaign by the same person equals one hundred dollars or more, or within five days after the date of making an independent expenditure for which no reasonable estimate of monetary value is practicable, whichever occurs first, the person who made the independent expenditure shall file with the commission an initial report of all independent expenditures made during the campaign prior to and including such date.

(3) (a) At the following intervals each person who is required to file an initial report pursuant to subsection (2) of this section shall file with the commission a further report of the independent expenditures made since the date of the last report:

~~((a))~~ (i) ~~On the ((twenty-first day and the seventh day))~~ twenty-seventh day, the twentieth day, and the sixth day preceding the date on which the election is held; ~~((and))~~

~~(b)~~ (ii) On the tenth day of the first month after the election; and

~~(c)~~ (iii) On the tenth day of each month in which no other reports are required to be filed pursuant to this section.

((However,))

(b) The further reports required by this subsection (3) shall only be filed if the reporting person has made an independent expenditure since the date of the last previous report filed.

~~((The report filed pursuant to (a) of this subsection (3))~~ If no further reports are required to be filed, the last report required to be filed shall be the final report, and upon submitting such final report the duties of the reporting person shall cease, and there shall be no obligation to make any further reports.

(4) All reports filed pursuant to this section shall be certified as correct by the reporting person.

(5) The initial report required by subsection (2) shall disclosure for the period from the time of the first independent expenditure through the end of one business day before the date the report is filed. Each report required by subsection (3) (a) of this section shall disclose for the period from the closing date of the last report filed through the end of two calendar days before the date each report is filed. Each other report required by ~~((subsections (2) and))~~ subsection (3) of this section shall disclose for the period ~~((beginning at))~~ from the closing date of the last report filed through the end of one calendar day before the date the report is filed. ~~((end of the period for the last previous report filed or, in the case of an initial report, beginning at the~~

~~time of the first independent expenditure, and ending not more than one business day before the date the report is due)~~ Each report required by subsection (2) or (3) of this section must disclose the following information:

(a) The name, address, and electronic contact information of the person filing the report;

(b) The name and address of each person to whom an independent expenditure was made in the aggregate amount of more than fifty dollars, and the amount, date, and purpose of each such expenditure. If no reasonable estimate of the monetary value of a particular independent expenditure is practicable, it is sufficient to report instead a precise description of services, property, or rights furnished through the expenditure and where appropriate to attach a copy of the item produced or distributed by the expenditure;

(c) The total sum of all independent expenditures made during the campaign to date;

(d) A statement from the person making an independent expenditure that:

(i) The expenditure is not financed in any part by a foreign national; and

(ii) Foreign nationals are not involved in making decisions regarding the expenditure in any way; ~~(and~~

(e) Such other information as shall be required by the commission by rule in conformance with the policies and purposes of this chapter.

**Sec. 5.** RCW 42.17A.260 and 2020 c 152 s 6 are each amended to read as follows:

(1) The sponsor of political advertising shall file a special report to the commission within twenty-four hours of, or on the first working day after, the date the political advertising is first published, mailed, or otherwise presented to the public, if the political advertising:

**Commented [FS(5):** This is a technical change to clarify that a registered ballot measure PAC already reporting to the PDC does not need to file a special C-6 report for political advertising.

(a) Is published, mailed, or otherwise presented to the public within twenty-one days of an election; and

(b) Either:

(i) Qualifies as an independent expenditure with a fair market value or actual cost of one thousand dollars or more, for political advertising supporting or opposing a candidate; or

(ii) Has a fair market value or actual cost of one thousand dollars or more, for political advertising supporting or opposing a ballot proposition, and is not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, or 42.17A.240, supporting or opposing the same ballot proposition.

(2) If a sponsor is required to file a special report under this section, the sponsor shall also deliver to the commission within the delivery period established in subsection (1) of this section a special report for:

(a) Each subsequent independent expenditure of any size supporting or opposing the same candidate who was the subject of the previous independent expenditure, supporting or opposing that candidate's opponent (~~(, or, in the case of a)~~); or

(b) Each subsequent expenditure of any size made in support of or in opposition to (~~(a)~~) the same ballot proposition that was the subject of the previous expenditure, and is not otherwise required to be reported pursuant to RCW 42.17A.225, 42.17A.235, or 42.17A.240 (~~(, supporting or opposing the same ballot proposition that was the subject of the previous expenditure)~~).

(3) The special report must include:

(a) The name and address of the person making the expenditure;

(b) The name and address of the person to whom the expenditure was made;

(c) A detailed description of the expenditure;

(d) The date the expenditure was made and the date the political advertising was first published or otherwise presented to the public;

(e) The amount of the expenditure;

(f) The name of the candidate supported or opposed by the expenditure, the office being sought by the candidate, and whether the expenditure supports or opposes the candidate; or the name of the ballot proposition supported or opposed by the expenditure and whether the expenditure supports or opposes the ballot proposition;

(g) A statement from the sponsor that:

(i) The political advertising is not financed in any part by a foreign national; and

(ii) Foreign nationals are not involved in making decisions regarding the political advertising in any way; and

(h) Any other information the commission may require by rule.

(4) All persons required to report under RCW 42.17A.225, 42.17A.235, 42.17A.240, 42.17A.255, and 42.17A.305 are subject to the requirements of this section, except as otherwise provided in this section. The commission may determine that reports filed pursuant to this section also satisfy the requirements of RCW 42.17A.255.

(5) The sponsor of independent expenditures supporting a candidate or opposing that candidate's opponent required to report under this section shall file with each required report an affidavit or declaration of the person responsible for making the independent expenditure that the expenditure was not made in cooperation, consultation, or concert with, or at the request or suggestion of, the candidate, the candidate's authorized committee, or the candidate's agent, or with the encouragement or approval of the candidate, the candidate's authorized committee, or the candidate's agent.

**Sec. 6.** RCW 42.17A.265 and 2020 c 152 s 7 are each amended to read as follows:

(1) Treasurers shall prepare and deliver to the commission a special report when a contribution or aggregate of contributions totals (~~one thousand dollars or more,~~) more than the contribution limit to a candidate for state officer other than legislative

**Commented [FS(6):** Raises the reporting threshold for last minute contributions and links that threshold to the contribution limit for statewide office (currently set at \$2000). Therefore, the LMC limit will continue to float above the highest contribution limit and only apply to those contributions over that limit (applicable to ballot measure campaigns, independent PACs, political parties).

Extends the reporting period from 6/21 days before the primary/general elections, to the start of the first full month before the election.

office, as provided in RCW 42.17A.405(2), is from a single person or entity, and is received during ((a special reporting period)) the period from the beginning of the last full month preceding an election in which the treasurer's committee is participating, and concluding the day before that election.

(2) A political committee shall prepare and deliver to the commission a special report when it makes a contribution or an aggregate of contributions to a single entity that totals ~~((one thousand dollars or more during a special reporting period))~~ more than the contribution limit to a candidate for state office other than legislative office, as provided in RCW 42.17A.405(2), during the same special reporting period as set forth in subsection (1) of this section.

(3) An aggregate of contributions includes only those contributions made to or received from a single entity during any one special reporting period. After a special report is filed as provided under subsections (1) or (2) of this section, an additional special report must be filed for any ((Any)) subsequent contribution of any size made to or received from the same person or entity during the special reporting period ((must also be reported.

~~(4) Special reporting periods, for purposes of this section, include:~~

~~(a) The period beginning on the day after the last report required by RCW 42.17A.235 and 42.17A.240 to be filed before a primary and concluding on the end of the day before that primary;~~

~~(b) The period twenty one days preceding a general election; and~~

~~(c) An aggregate of contributions includes only those contributions received from a single entity during any one special reporting period or made by the contributing political committee to a single entity during any one special reporting period.~~

~~(5) If a campaign treasurer files a special report under this section for one or more contributions received from a single entity during a special reporting period, the treasurer shall also file a special report under this section for each subsequent contribution~~

~~of any size which is received from that entity during the special reporting period. If a political committee files a special report under this section for a contribution or contributions made to a single entity during a special reporting period, the political committee shall also file a special report for each subsequent contribution of any size which is made to that entity during the special reporting period).~~

~~((46))~~ (4) Special reports required by this section shall be delivered electronically, or in written form if an electronic alternative is not available.

(a) The special report required of a contribution recipient under subsection (1) of this section shall be delivered to the commission within forty-eight hours of the time, or on the first ~~((working))~~ business day after:

(i) The qualifying contribution ~~((of one thousand dollars or more))~~ is received by the candidate or treasurer;

(ii) The aggregate received by the candidate or treasurer first equals ~~((one thousand dollars or more))~~ the qualifying amount; or

(iii) Any subsequent contribution from the same source is received by the candidate or treasurer.

(b) The special report required of a contributor under subsection (2) of this section or RCW 42.17A.625 shall be delivered to the commission, and the candidate or political committee to whom the contribution or contributions are made, within twenty-four hours of the time, or on the first ~~((working))~~ business day after:

(i) The qualifying contribution is made;

(ii) The aggregate of contributions made first equals ~~((one thousand dollars or more))~~ the qualifying amount; or

(iii) Any subsequent contribution to the same person or entity is made.

~~((47))~~ (5) The special report shall include:

(a) The amount of the contribution or contributions;

(b) The date or dates of receipt;

(c) The name and address of the donor;

(d) The name and address of the recipient;

(e) A statement that the candidate or political committee has received a certification from any partnership, association, corporation, organization, or other combination of persons making a contribution reportable under this section that:

(i) The contribution is not financed in any part by a foreign national; and

(ii) Foreign nationals are not involved in making decisions regarding the contribution in any way; and

(f) Any other information the commission may by rule require.

~~((48))~~ (6) Contributions reported under this section shall also be reported as required by other provisions of this chapter.

~~((49))~~ (7) The commission shall prepare daily a summary of the special reports made under this section and RCW 42.17A.625.

~~((410))~~ (8) Contributions governed by this section include, but are not limited to, contributions made or received indirectly through a third party or entity whether the contributions are or are not reported to the commission as earmarked contributions under RCW 42.17A.270.

**Sec. 7.** RCW 42.17A.345 and 2019 c 428 s 26 are each amended to read as follows:

**RCW Caption:** Commercial advertisers—Public inspection of documents—Copies to commission.

(1) Each commercial advertiser who has accepted or provided political advertising or electioneering communications during the election campaign shall maintain current books of account and related materials as provided by rule that shall be open for public inspection during normal business hours during the campaign and for a period of no less than five years after the date of the applicable election. The documents and books of account shall specify:

(a) The names and addresses of persons from whom it accepted political advertising or electioneering communications;

(b) The exact nature and extent of the services rendered; and

**Commented [FS(7):** Requires political ad sponsors to provide notice (upon request) to commercial advertisers that their purchase includes political advertising, and to provide required information to the commercial advertiser about the ad upon request.

This proposed change corresponds with a commercial advertiser's responsibility to maintain records of the political advertising it sells.



(c) The total cost and the manner of payment for the services.

(2) At the request of the commission, each commercial advertiser required to comply with subsection (1) of this section shall provide to the commission copies of the information that must be maintained and be open for public inspection pursuant to subsection (1) of this section.

(3) Any person who purchases political advertising or electioneering communications from a commercial advertiser must disclose upon request from the commercial advertiser:

(a) That the purchase includes political advertising or electioneering communications;

(b) The name of the sponsor, if different than the person making the purchase; and

(c) Any other information the commercial advertiser is required to maintain, as provided by this section or rule.

(4) Any failure to provide the required information in subsection (3) of this section upon request is a violation under this chapter, but such failure shall not relieve a commercial advertiser of any of the requirements under this section.

**Sec. 8.** RCW 42.17A.640 and 2010 c 204 s 809 are each amended to read as follows:

(1) Any person who has made expenditures, not reported by a registered lobbyist under RCW 42.17A.615 or by a candidate or political committee under RCW 42.17A.225 or 42.17A.235, exceeding \*one thousand dollars in the aggregate within any three-month period or exceeding \*five hundred dollars in the aggregate within any one-month period in presenting a program to the public, a substantial portion of which is intended, designed, or calculated primarily to influence legislation, shall register and report, as provided in subsection (2) of this section, as a sponsor of a grass roots lobbying campaign.

**Commented [FS(8):** Expedites registration for a grassroots lobbying campaign: within 24 hours during the period immediately preceding a legislative session; or within 5 days at any other time.

Aligns the registration period to the time the campaign is first presented to the public.

Clarifies that campaigns can report general treasury as a source of funding without disclosing donors to the general treasury.

Requires grassroots campaigns to include sponsor identification in advertising presented to the public.

**Commented [FS(9):** Some concerns were raised about the threshold for reporting grassroots activities. Staff does not have an initial recommendation for changing the threshold as it is largely a policy matter. More analysis and discussion may be required to settle on an appropriate adjustment.

(2) (~~Within thirty days after becoming a sponsor of a grass roots lobbying campaign~~) The sponsor shall register by filing with the commission a registration statement:

(a) Within twenty-four hours of the initial presentation of the program to the public during the period:

(i) Beginning on the thirtieth day before a regular legislative session convenes and continuing through the date of final adjournment of that session; or

(ii) Beginning on the date that a special legislative session has been called or thirty days before the special legislative session is scheduled to convene, whichever is later, and continuing through the date of final adjournment of that session; or

(b) Within five business days of the initial presentation of the program to the public during any other period.

The registration must show, in such detail as the commission shall prescribe (~~, showing~~):

(a) The sponsor's name, address, and business or occupation and employer, and, if the sponsor is not an individual, the names, addresses, and titles of the controlling persons responsible for managing the sponsor's affairs;

(b) The names, addresses, and business or occupation and employer of all persons organizing and managing the campaign, or hired to assist the campaign, including any public relations or advertising firms participating in the campaign, and the terms of compensation for all such persons;

(c) (~~The names and addresses of each person contributing twenty five dollars or more to the campaign, and the aggregate amount contributed~~) Each source of funding for the campaign of twenty-five dollars or more, including:

(i) General treasury funds. The name and address of each business, union, group, association, or other organization using general treasury funds for the campaign; however, if such entity undertakes a special solicitation of its members or other persons

**Commented [FS(10):** This language was proposed directly by advocates for the nonprofit organizations.

for the campaign, or it otherwise receives funds for the campaign, that entity shall report pursuant to (c)(ii) of this subsection; and

(ii) Special solicitations and other funds. The name, address, and, for individuals, occupation and employer, of a person whose funds were used to pay for the campaign, along with the amount;

(d) The purpose of the campaign, including the specific legislation, rules, rates, standards, or proposals that are the subject matter of the campaign;

(e) The totals of all expenditures made or incurred to date on behalf of the campaign segregated according to financial category, including but not limited to the following: Advertising, segregated by media, and in the case of large expenditures (as provided by rule of the commission), by outlet; contributions; entertainment, including food and refreshments; office expenses including rent and the salaries and wages paid for staff and secretarial assistance, or the proportionate amount paid or incurred for lobbying campaign activities; consultants; and printing and mailing expenses; and

**(f)** Such other information as shall be required by the commission by rule in conformance with the policies and purposes of this chapter.

(3) Every sponsor who has registered under this section shall file monthly reports with the commission by the tenth day of the month for the activity during the preceding month. The reports shall update the information contained in the sponsor's registration statement and in prior reports and shall show contributions received and totals of expenditures made during the month, in the same manner as provided for in the registration statement.

(4) When the campaign has been terminated, the sponsor shall file a notice of termination with the final monthly report. The final report shall state the totals of all contributions and expenditures made on behalf of the campaign, in the same manner as provided for in the registration statement.

**Commented [FS(11):** There were comments expressing concerns about the level of expenditure detail required to be reported, including staff time. The Commission may consider proposing to eliminate some of these specific details in statute, and use the rulemaking process to determine the appropriate level of reporting.

(5) (a) Any advertising or other mass communication produced as part of a grass roots lobbying campaign must include the following disclosures:

(i) All written communications shall include the sponsor's name and address. All radio and television communications shall include the sponsor's name. The use of an assumed name for the sponsor is unlawful;

(ii) If the sponsor is a political committee established, maintained, or controlled directly, or indirectly through the formation of one or more political committees, by an individual, corporation, union, association, or other entity, the communication must include the full name of that individual or entity; and

(iii) If the communication costs \$1,000 or more, the communication must include:

(A) The statement "Top Five Contributors," followed by a listing of the names of each of the five largest sources of funding of \$1,000 or more, as reported under subsection (2) (c) of this section, during the 12-month period preceding the date on which the advertisement is initially to be published or otherwise presented to the public; and

(B) If one of the "Top Five Contributors" listed includes a political committee, the statement "Top Three Donors to PAC Contributors," followed by a listing of the names of the three individuals or entities other than political committees making the largest aggregate contributions to political committees using the same methodology as provided in RCW 42.17A.350(2).

(b) Abbreviations may be used to describe entities required to be listed under (a) of this subsection if the full name of the entity has been clearly spoken previously during the communication. The information required by (a) of this subsection shall:

(i) In a written communication:

(A) Appear on the first page or fold of the written advertisement or communication in at least 10-point type, or in type at least 10 percent of the largest size type used in a written

communication directed at more than one voter, such as a billboard or poster, whichever is larger;

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

(C) Be set apart from any other printed matter. No text may be before, after, or immediately adjacent to the information required by (a) of this subsection; or

(ii) In a communication transmitted via television or another medium that includes a visual image or audio:

(A) Be clearly spoken; or

(B) Appear in print and be visible for at least four seconds, appear in letters greater than four percent of the visual screen height on a solid black background on the entire bottom one-third of the television or visual display screen, or bottom one-fourth of the screen if the sponsor does not have or is otherwise not required to list its top five contributors, and have a reasonable color contrast with the background.

(6) The commission is authorized to adopt rules, as needed, to prevent ways to circumvent the purposes of the required disclosures in this section or otherwise in conformance with the policies and purposes of this chapter.

**Sec. 9.** RCW 42.17A.785 and 2018 c 304 s 18 are each amended to read as follows:

(1) The public disclosure transparency account is created in the ((state treasury)) custody of the state treasurer. All receipts from penalties collected pursuant to enforcement actions or settlements under this chapter, including any fees or costs, must be deposited into the account. ((Moneys in the account may be spent only after appropriation. Moneys in the account may be used only for the implementation of chapter 304, Laws of 2018 and duties under this chapter, and may not be used to supplant general fund appropriations to the commission.))

(2) Moneys in the account may be used only for the development and implementation of projects designated by the commission for the

**Commented [FS(12):** Makes the Transparency Account a non-appropriated account.

Requires that the account is used for system improvements and may not supplant general fund appropriations.

Requires the Commission to approve a list of prioritized projects.

purpose of improving the usability, transparency, and accessibility of systems and information regarding campaign financing, lobbying activities, and the financial affairs of public officials and candidates, consistent with the purposes of this chapter. The commission shall approve and update the list of designated projects and include a description, the purpose, and projected cost of each project as part of the commission's regular review of its technology and related business projects strategic priorities plan.

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

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

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