



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Public Disclosure Commission

Preproposal Statement of Inquiry was filed as WSR 16-17-030 ; or
 Expedited Rule Making--Proposed notice was filed as WSR _____; or
 Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

Original Notice
 Supplemental Notice to WSR _____
 Continuance of WSR _____

Title of rule and other identifying information: (Describe Subject) WAC 390-16-234 Transfers of surplus and nonsurplus candidate funds.

Hearing location(s): Office of the Public Disclosure Commission, 711 Capitol Way, Rm. 206, Olympia, WA 98504

Submit written comments to:

Name: Evelyn Fielding-Lopez
Address: P O Box 40908, Olympia, WA 98504

e-mail evelyn.lopez@pdc.wa.gov
fax (360) 664-2735 by (date) November 30, 2016

Date: Thursday, December 8, 2016 Time: 9:30 AM

Assistance for persons with disabilities: Contact

Jana Greer by email at Jana.Greer@pdc.wa.gov

TTY () _____ or (360) 753-1985

Date of intended adoption: December 8, 2016
(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

WAC 390-16-234 allows a candidate to transfer campaign funds to another candidate for the purpose of making joint campaign expenditures. The proposed amendment sets a deadline for transferring funds: 2 business days from the date of the expenditure. The proposed amendment prohibits a transfer that exceeds the candidate's proportionate share of the joint expenditure and requires any funds not used for the joint expenditure to be returned within one business day of the expenditure.

Reasons supporting proposal: The Public Disclosure Commission proposes these amendments to accommodate candidates who are making joint campaign expenditures under circumstances that do not allow each candidate to directly pay their proportionate share. The proposal establishes deadlines so that transfers are allowed under restricted parameters, so as to prevent loans made with campaign funds or other illegal contributions, in accordance with RCW 42.17A.430(8).

Statutory authority for adoption: RCW 42.17A.110

Statute being implemented: RCWs 42.17A.240, and 42.17A.430

Is rule necessary because of a:

Federal Law? Yes No
 Federal Court Decision? Yes No
 State Court Decision? Yes No
 If yes, CITATION:

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: **October 11, 2016**

TIME: **12:00 PM**

WSR **16-21-035**

DATE
October 4, 2016

NAME (type or print)
Lori Anderson

SIGNATURE

TITLE
Communications & Training Officer

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

The proposed amendments allow a routine campaign practice to continue, but establishes parameters so as to prevent illegal campaign contributions. No fiscal impact is expected to result from these amendments.

Name of proponent: (person or organization) Public Disclosure Commission

- Private
 Public
 Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Lori Anderson	711 Capitol Way, Rm. 206, Olympia, WA 98504	(360) 664-2737
Implementation.... Evelyn Lopez	711 Capitol Way, Rm. 206, Olympia, WA 98504	(360) 664-2735
Enforcement..... Evelyn Lopez	711 Capitol Way, Rm. 206, Olympia, WA 98504	(360) 664-2735

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The implementation of these rule amendments has minimal impact on small business. The PDC is not subject to the requirement to prepare a school district fiscal impact statement, per RCW 28A.305.135 and 34.05.320.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain:

A cost-benefit analysis is not required under RCW 34.05.328. The PDC is not an agency listed in subsection (5)(1)(i) of RCW 34.05.328. Further, the PDC does not voluntarily make that section applicable to the adoption of these rules pursuant to subsection (5)(a)(ii), and to date, the joint administrative rules review committee has not made the section applicable to the adoption of these rules.

WAC 390-16-234 Transfers of ((surplus and nonsurplus)) candidate funds. (1) ~~((One candidate may reimburse another for the former's proportionate share of documented and properly reported joint campaign expenses without the transaction constituting a "transfer" within the meaning of RCW 42.17A.430.))~~ Candidates are encouraged to directly pay to a vendor their proportionate share of joint campaign expenses. When separate, direct payments are not possible, one candidate may transfer campaign funds to another candidate without violating RCW 42.17A.430(8): Provided, That:

(a) The transferred funds are used exclusively for the joint expenditure;

(b) The amount may not exceed the prorated share attributable to the candidate who transfers the funds;

(c) The funds are transferred within two business days of the expenditure;

(d) Any transferred funds not used for the joint expenditure are returned no later than one business day after the expenditure is made; and

(e) The purpose of the transferred funds is timely disclosed as would be required for a direct expenditure.

(2) Candidate surplus funds may be transferred without limit to a bona fide political party or to a caucus political committee.

(3) Except as provided in subsections (1) and (2) of this section, no candidate or candidate's authorized committee may transfer surplus or nonsurplus funds to any other candidate or political committee.