

**BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON**

In the Matter of Enforcement Action
Against:

Citizens for Two-Thirds

Respondents.

Case No. 13-101

STIPULATION AS TO FACTS,
VIOLATION AND PENALTY

The parties to this Stipulation, namely, the Public Disclosure Commission Staff, through its Executive Director, Andrea McNamara Doyle, and Respondent Citizens for Two-Thirds, through its attorney, Dan Brady, submit this Stipulation as to Facts, Violations and Penalty in this matter. The parties agree that the Commission has the authority to accept, reject or modify the terms of this Stipulation. The parties further agree that in the event that the Commission suggests modification to any term of this agreement, each party reserves the right to reject that modification. In the event either party rejects a modification, this matter will proceed to hearing before the Commission.

JURISDICTION

The Public Disclosure Commission has jurisdiction over this proceeding pursuant to RCW 42.17A, the Public Disclosure Act; RCW 34.05, the Administrative Procedure Act; and WAC 390.

FACTS

1. Respondent Citizens for Two-Thirds is a political committee formed to support Proposition 1, a ballot proposition in the November 5, 2013 general election in the City of Yakima. Proposition 1 would amend the Yakima City Charter to require the affirmative vote of at least five city council members to assess, levy or increase any tax in the city.
2. Citizens for Two-Thirds registered with the Public Disclosure Commission by filing a Political Committee Registration (C-1pc Report) on April 30, 2013. The report indicated the committee's choice of the Mini Reporting option, which limited the committee to \$5,000 in

aggregate contributions and expenditures, and \$500 in aggregate contributions from any one source for the duration of the Proposition 1 campaign.

3. On May 29, 2013, Citizens for Two-Thirds contacted the Public Disclosure Commission for assistance with changing from Mini-Reporting to full, Regular Reporting. The Committee began this process of its own volition and not as a result of a PDC query, investigation, or third party complaint.
4. On June 12, 2013, Citizens for Two-Thirds submitted an amended C-1pc report and Cash Receipts Monetary Contributions reports (C-3 Reports) and Campaign Summary Receipts and Expenditures reports (C-4 Reports) as part of an application to change to the Full Reporting option. In submitting this application, Citizens for Two-Thirds stated that it was aware of no political committee established to oppose Proposition 1.
5. The reports submitted on June 12, 2013 indicated that Citizens for Two-Thirds had accepted contributions from Yakima Valley Publishing and Ben Shoal that exceeded the \$500 limit of the Mini Reporting option on contributions from one source.
6. The reports submitted on June 12, 2013 indicated that Citizens for Two-Thirds had raised \$5,930 and spent \$5,227, exceeding the \$5,000 limit of the Mini Reporting option on aggregate contributions and expenditures. The expenditure totals did not include outstanding obligations for signature gathering services.
7. On July 9, 2013, in an attempt to return to compliance with the Mini Reporting limits, Citizens for Two-Thirds submitted reports indicating that from June 12 to June 30, 2013, the committee refunded certain contributions and obtained refunds from Evergreen Petition Management, LLC for payments made for signature gathering services. However, because Evergreen Petition Management, LLC had already performed the signature gathering services, the payments refunded to Citizens for Two-Thirds are now obligations owed to Evergreen Petition Management, LLC, subject to the \$5,000 expenditure limit under the Mini Reporting option.

8. As of August 12, 2013, Citizens for Two-Thirds had received \$4,960 in cash and in-kind contributions and had made \$877 in expenditures (cash and in-kind). In addition, Citizens for Two-Thirds had outstanding obligations of \$14,974, making total campaign expenditures \$15,851¹.
9. On July 18, 2013, PDC staff notified Citizens for Two-Thirds in writing that because the committee exceeded the limits of the Mini Reporting option prior to applying for a change in reporting options, PDC staff was unable to process or approve the application to change to the Full Reporting option.
10. Citizens for Two-Thirds has returned all monetary contributions exceeding \$500 in the aggregate from one source. In addition, Citizens for Two Thirds has made no additional expenditures, beyond incurring obligations for legal counsel and professional compliance services necessary to resolve this complaint.

STATUTORY AND RULE AUTHORITY

14. **RCW 42.17A.205** states, in part: “(1) Every political committee, within two weeks after its organization or, within two weeks after the date when it first has the expectation of receiving contributions or making expenditures in any election campaign, whichever is earlier, shall file a statement of organization with the commission.” ... and “(3) 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.”
15. **RCW 42.17A.235 and .240** require political committees under the full reporting option to file timely, accurate reports of contributions and expenditures.
16. **WAC 390-16-105(2)** states, in part: “A political committee, as that term is defined in RCW 42.17A.005, shall not be required to comply with the provisions of RCW 42.17A.225 through 42.17A.240 except as otherwise prescribed in WAC 390-16-038, 390-16-115, and 390-16-125 when neither aggregate contributions nor aggregate expenditures exceed five

¹ This total of campaign expenditures does not include obligations for legal counsel and professional compliance services necessary to resolve this complaint. However, these reportable obligations have been disclosed.

thousand dollars and no contribution or contributions from any person exceed five hundred dollars.”

17. **WAC 390-16-125** states, in part, “(1) A candidate or political committee shall apply in writing to the commission for authorization to change reporting options before the limitations specified in WAC 390-16-105 are exceeded. A complete application shall include all of the following documents:

- (a) An amended registration statement (Form C-1 for candidates, Form C-1pc for political committees) selecting the full reporting option as provided in RCW 42.17A.225 - 42.17A.240;
- (b) PDC forms C-3 and C-4 with relevant schedules and attachments disclosing all contributions and expenditures to date reportable under RCW 42.17A.240 for the election campaign, or in the case of continuing political committees, for the calendar year; and
- (c) ... (ii) If the applicant is the treasurer of a political committee supporting or opposing a ballot proposition, a statement affirming that all treasurers of all political committees registered with the commission as supporting or opposing the proposition have been notified personally in writing of the application, and the manner and date of such notification.”

...

(5) Exceeding the aggregate contributions or aggregate expenditures specified in WAC 390-16-105 without complying with the provisions of this section shall constitute one or more violations of chapter 42.17A RCW or 390-17 WAC.”

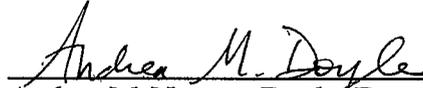
VIOLATION

Based on the Stipulation of Facts set forth above, Respondent Citizens for Two Thirds stipulates that the committee violated RCW 42.17A.205, RCW 42.17A.235, RCW 42.17A.240, and WAC 390-16-125 by exceeding the Mini Reporting limits in WAC 390-16-105 without complying with the provisions of WAC 390-16-125.

PENALTY

Based upon the stipulated facts and violations set forth above, Respondent Citizens for Two-Thirds agrees to pay a total civil penalty of \$500.

Respondent affirms its intention to comply in good faith with the provisions of RCW 42.17A in the future.



Andrea McNamara Doyle, Executive Director
Public Disclosure Commission

8/29/13
Date Signed



Dan Brady, Counsel for Respondent
Citizens for Two-Thirds

8/21/13
Date Signed