

MODIFICATION REQUEST COVER SHEET

Name of Filer	WASHINGTON STATE REPUBLICAN PARTY
Type of Request	<input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal with No Change <input type="checkbox"/> Renewal with Change
Supporting Documents (attached)	<input checked="" type="checkbox"/> Request Letter <input checked="" type="checkbox"/> Prior Order
History (brief narrative)	<p>The original Modification was granted on May 27, 1992.</p> <p>The request for a modification was in response to the passage of I-134, which allowed state political party committees to establish exempt funds or "soft money."</p> <p>The Federal Election Commission (FEC) law requires state political party organizations with both federal and non-federal political committees to pay all overhead and other allocable expenses out of the federal account.</p>
	<p>Each expense is allowed to be allocated between state and federal dollars based on a ballot ratio or ballot composition (i.e.-number of state and federal candidates on the ballot).</p> <p>All expenses are itemized on FEC form H-4, and the modification request was made due to the FEC law as it relates to the inter-workings of federal and state committees involved with federal and state election laws.</p> <p>FEC law only allows state dollars to be transferred to the federal account to cover the state portion or share of party overhead and other allocable expenses, based on the ballot composition allocation method. PDC law requires frequent and detailed contribution and expenditure reporting by state political party organizations.</p>
Reason(s) for Modification (as stated by filer)	<ul style="list-style-type: none"> • The Washington State Republican Party (WSRP) is a state bona-fide political party organization that reports contribution and expenditure activities from the exempt and non-exempt accounts to the PDC. The WSRP also reports contribution and expenditure activities from their federal account to the FEC. • The WSRP is requesting a renewal of the modification for calendar year 2014 that would exempt them from itemizing all overhead or other allocable expenses on their state PDC reports for expenditures that are paid out of the WSRP federal account.

	<ul style="list-style-type: none"> • The modification only covers expenditures made from the federal account that are paid in part with funds that are transferred as a lump sum from the state account (generally the exempt funds account). • WSRP has stated in prior requests the modification agreement relieved the party of a requirement that represents a “manifestly unreasonable hardship” on WSRP staff. Without the reporting modification, the WSRP would be required to literally comply with the reporting requirements and itemize the WSRP state portion of each joint state/federal expenditure which is paid out of the WSRP federal account. • The majority of the joint state/federal expenditures made out of the WSRP federal account are for overhead and staffing costs. The modification allows the WSRP to satisfy the reporting requirements for 2014 by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to the WSRP federal committee, without having to itemize the specific overhead or other allocable expenses that are being paid with respect to those transfers.
	<ul style="list-style-type: none"> • The exemption is allowed provided that no WSRP federal funds are for the direct benefit of state or local candidates, ballot propositions, or political committees registered with the PDC. If any portion of the funds transferred to the WSRP federal account, benefits state or local candidates, ballot propositions or political committees registered with the PDC, the WSRP non-exempt account must identify the candidates, ballot propositions or political committees that benefited on the Schedule A to PDC Form C-4, and reference the FEC report that the expenditure will be disclosed on.
Other Issues	<p>Effective August 1, 2004, state political party organizations are allowed to raise funds that are known as “Levin funds.” “Levin funds” are funds that meet certain criteria set by the FEC concerning the source of the funds, and those funds can be used to pay for certain expenses that are allocable between federal funds and Levin funds. If Levin funds are included in the state committee’s “exempt activities account” they may be transferred to the federal committee as a bulk transfer to reimburse the federal committee for the allocable portion of the expenses.</p>
Staff Recommendations	<p>Approve reporting modification renewal for WSRP (with no changes) for 2014.</p>



RECEIVED

JAN - 8 2014

Public Disclosure Commission

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DATE FILED

January 6, 2014

JAN - 6 2014

Andrea McNamara Doyle
711 Capitol Way, #206
PO Box 40908
Olympia, WA 98504-0908

Re: Washington State Republican Party Reporting Modification

Dear Ms. McNamara Doyle:

The Washington State Republican Party ("WSRP") requests renewal of the Public Disclosure Commission's modification of reporting requirements under RCW 42.17A.235 and 42.17A.240, with no changes from the modification granted for 2013. Literal compliance with the statutory provisions would impose a substantial hardship.

As required by the Federal Election Commission, all overhead and other allocable expenses will continue to be paid out of the WSRP Federal Committee's funds and reimbursed with a transfer of the State Party's allocable share. Each expense which is allowed to be allocated between state and federal dollars is itemized on Federal Election Commission Form H-4, as required by the Federal Election Commission.

The WSRP waives the right to have a representative personally attend the hearing. If you have any questions or wish a representative to attend, please contact me at the address and telephone number listed above.

Sincerely,

Davis Wright Tremaine LLP



Rob Maguire

cc: Caleb Heimlich, WSRP Executive Director

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BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF THE APPLICATION)	PDC No. 3088
OF WASHINGTON STATE REPUBLICAN)	
PARTY FOR A REPORTING MODIFICATION)	Findings, Conclusions
_____)	and Order

On February 28, 2013, the application of the Washington State Republican Party, 11811 NE 1st Street, Suite A306, Bellevue, Washington 98005 for a modification of the reporting requirements of RCW 42.17A.235 and 42.17A.240 was brought before the Public Disclosure Commission.

Consideration of the request was made pursuant to RCW 42.17A.120 and chapter 390-28 WAC by the Commission. The proceedings were held in Room 206, Evergreen Plaza Building, 711 Capitol Way, Olympia, Washington, 98504. The applicant, the Washington State Republican Party (WSRP), by letter, requested a renewal of the reporting modification for calendar year 2013 that would exempt it from itemizing overhead or other allocable expenses on its state PDC reports for expenditures that are paid out of the WSRP federal account.

The Commission was provided with a certification from WSRP Executive Director Peter Graves, waiving the party's appearance at the hearing and stating that the facts contained in the request are true and accurate.

FINDINGS OF FACT

Based upon the letter, the Commission makes the following Findings of Fact:

1. WSRP has previously been granted a reporting modification, the most recent being Order No. 3030. The applicant stated that the facts are the same as those on which the previous reporting modification was granted.
2. WSRP is a state bona-fide political party organization that reports contribution and expenditure activities from its exempt and non-exempt accounts to the PDC. The WSRP also reports contribution and expenditure activities from its federal account to the Federal Elections Commission (FEC).
3. Under a federal law effective January 1, 1992, state political party organizations with both federal and non-federal committees are required to pay all overhead and other allocable expenses out of the federal committee's funds. Each expense which is allowed to be allocated between state and federal dollars is itemized on form H-4 as required by the FEC.

4. The reporting modification would relieve WSRP of a requirement that represents a "manifestly unreasonable hardship" on WSRP staff. Without the reporting modification, the WSRP would be required to literally comply with the reporting requirements and itemize the WSRP state portion of each joint state/federal expenditure which is paid out of, and reported by, the WSRP federal account. The modification allows the WSRP to satisfy the reporting requirements by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to the WSRP federal committee, without having to itemize the specific overhead or other allocable expenses that are being paid with respect to the fund transfers.
5. Since August 1, 2004, the state political party organizations have been allowed to raise "Levin funds" which are funds that meet certain criteria set by the FEC concerning the source of the funds. These funds can be used to pay for certain expenses that are allocable between federal funds and Levin funds. If Levin funds are included in the WSRP state committee's "exempt activities account," they may be transferred to the WSRP federal committee as a bulk transfer, in order to reimburse the WSRP federal committee for the allocable portion of the expenses.

CONCLUSIONS OF LAW

Having made these Findings of Fact, the Commission makes the following Conclusions of Law:

1. Literal compliance with all the provisions of RCW 42.17A.235 and RCW 42.17A.240 would create a manifestly unreasonable hardship on the applicant.
2. Limited suspension or modification of the reporting requirements as specified in the Order would not frustrate the purposes of the Act in this particular case.

ORDER

Having made these Findings of Fact and Conclusions of Law, the Commission issues the following Order:

For calendar year 2013:

1. The applicant may satisfy the reporting requirements of RCW 42.17A.235 and RCW 42.17A.240 by reflecting on its Schedule A to PDC Form C-4, as expenditures, the bulk transfer payments that are made to its federal committee as a lump sum transfer without having to itemize the specific overhead or other allocable expense(s) that are being paid with respect to each transfer. The modification is granted with the proviso that none of the overhead or other allocable expenses made from the federal committee using transferred state funds are used for the direct benefit of specific state or local candidates or ballot propositions. In addition, the state committee shall include in the "Description" column of each C-4, Schedule A, a reference to the particular H-4 form that has been or will be filed with the FEC stating when such H-4 form will be, or has been, filed.

2. In all other matters required to be reported, the applicant shall comply in full with the reporting requirements of RCW 42.17A.
3. This modification order shall be in effect through December 31, 2013.

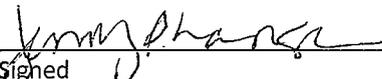
DATED this 15th day of April, 2013.

FOR THE PUBLIC DISCLOSURE COMMISSION



Andrea McNamara Doyle
Executive Director

I, Jennifer E. Hanson, certify that I mailed a copy of this order to the Respondent/Applicant at his/her respective address postage pre-paid on the date stated herein.



Signed

4/1/13

Date