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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: Z-0021.1/17

ATTY/TYPIST: SCG:eab

BRIEF DESCRIPTION: Updating inflationary amounts in campaign finance laws.

1 AN ACT Relating to updating inflationary adjustments in campaign  
2 finance laws; amending RCW 42.17A.125 and 42.17A.475; and reenacting  
3 and amending RCW 42.17A.005.

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

5 **Sec. 1.** RCW 42.17A.125 and 2011 c 60 s 21 are each amended to  
6 read as follows:

7 (1) At the beginning of each even-numbered calendar year, the  
8 commission shall increase or decrease the dollar amounts in RCW  
9 (~~(42.17A.005(26),)~~) 42.17A.405, 42.17A.410, 42.17A.445(3),  
10 (~~(42.17A.475,)~~) and 42.17A.630(1) based on changes in economic  
11 conditions as reflected in the inflationary index recommended by the  
12 office of financial management. The new dollar amounts established by  
13 the commission under this section shall be rounded off to amounts as  
14 judged most convenient for public understanding and so as to be  
15 within ten percent of the target amount equal to the base amount  
16 provided in this chapter multiplied by the increase in the  
17 inflationary index since July 2008.

18 (2) The commission may revise, at least once every five years but  
19 no more often than every two years, the monetary reporting thresholds  
20 and reporting code values of this chapter. The revisions shall be  
21 only for the purpose of recognizing economic changes as reflected by

1 an inflationary index recommended by the office of financial  
2 management. The revisions shall be guided by the change in the index  
3 for the period commencing with the month of December preceding the  
4 last revision and concluding with the month of December preceding the  
5 month the revision is adopted. As to each of the three general  
6 categories of this chapter, reports of campaign finance, reports of  
7 lobbyist activity, and reports of the financial affairs of elected  
8 and appointed officials, the revisions shall equally affect all  
9 thresholds within each category. The revisions authorized by this  
10 subsection shall reflect economic changes from the time of the last  
11 legislative enactment affecting the respective code or threshold.

12 (3) Revisions made in accordance with subsections (1) and (2) of  
13 this section shall be adopted as rules under chapter 34.05 RCW.

14 **Sec. 2.** RCW 42.17A.005 and 2011 c 145 s 2 and 2011 c 60 s 19 are  
15 each reenacted and amended to read as follows:

16 The definitions in this section apply throughout this chapter  
17 unless the context clearly requires otherwise.

18 (1) "Actual malice" means to act with knowledge of falsity or  
19 with reckless disregard as to truth or falsity.

20 (2) "Agency" includes all state agencies and all local agencies.  
21 "State agency" includes every state office, department, division,  
22 bureau, board, commission, or other state agency. "Local agency"  
23 includes every county, city, town, municipal corporation, quasi-  
24 municipal corporation, or special purpose district, or any office,  
25 department, division, bureau, board, commission, or agency thereof,  
26 or other local public agency.

27 (3) "Authorized committee" means the political committee  
28 authorized by a candidate, or by the public official against whom  
29 recall charges have been filed, to accept contributions or make  
30 expenditures on behalf of the candidate or public official.

31 (4) "Ballot proposition" means any "measure" as defined by RCW  
32 29A.04.091, or any initiative, recall, or referendum proposition  
33 proposed to be submitted to the voters of the state or any municipal  
34 corporation, political subdivision, or other voting constituency from  
35 and after the time when the proposition has been initially filed with  
36 the appropriate election officer of that constituency before its  
37 circulation for signatures.

1 (5) "Benefit" means a commercial, proprietary, financial,  
2 economic, or monetary advantage, or the avoidance of a commercial,  
3 proprietary, financial, economic, or monetary disadvantage.

4 (6) "Bona fide political party" means:

5 (a) An organization that has been recognized as a minor political  
6 party by the secretary of state;

7 (b) The governing body of the state organization of a major  
8 political party, as defined in RCW 29A.04.086, that is the body  
9 authorized by the charter or bylaws of the party to exercise  
10 authority on behalf of the state party; or

11 (c) The county central committee or legislative district  
12 committee of a major political party. There may be only one  
13 legislative district committee for each party in each legislative  
14 district.

15 (7) "Candidate" means any individual who seeks nomination for  
16 election or election to public office. An individual seeks nomination  
17 or election when he or she first:

18 (a) Receives contributions or makes expenditures or reserves  
19 space or facilities with intent to promote his or her candidacy for  
20 office;

21 (b) Announces publicly or files for office;

22 (c) Purchases commercial advertising space or broadcast time to  
23 promote his or her candidacy; or

24 (d) Gives his or her consent to another person to take on behalf  
25 of the individual any of the actions in (a) or (c) of this  
26 subsection.

27 (8) "Caucus political committee" means a political committee  
28 organized and maintained by the members of a major political party in  
29 the state senate or state house of representatives.

30 (9) "Commercial advertiser" means any person who sells the  
31 service of communicating messages or producing printed material for  
32 broadcast or distribution to the general public or segments of the  
33 general public whether through the use of newspapers, magazines,  
34 television and radio stations, billboard companies, direct mail  
35 advertising companies, printing companies, or otherwise.

36 (10) "Commission" means the agency established under RCW  
37 42.17A.100.

38 (11) "Compensation" unless the context requires a narrower  
39 meaning, includes payment in any form for real or personal property  
40 or services of any kind. For the purpose of compliance with RCW

1 42.17A.710, "compensation" does not include per diem allowances or  
2 other payments made by a governmental entity to reimburse a public  
3 official for expenses incurred while the official is engaged in the  
4 official business of the governmental entity.

5 (12) "Continuing political committee" means a political committee  
6 that is an organization of continuing existence not established in  
7 anticipation of any particular election campaign.

8 (13)(a) "Contribution" includes:

9 (i) A loan, gift, deposit, subscription, forgiveness of  
10 indebtedness, donation, advance, pledge, payment, transfer of funds  
11 between political committees, or anything of value, including  
12 personal and professional services for less than full consideration;

13 (ii) An expenditure made by a person in cooperation,  
14 consultation, or concert with, or at the request or suggestion of, a  
15 candidate, a political committee, the person or persons named on the  
16 candidate's or committee's registration form who direct expenditures  
17 on behalf of the candidate or committee, or their agents;

18 (iii) The financing by a person of the dissemination,  
19 distribution, or republication, in whole or in part, of broadcast,  
20 written, graphic, or other form of political advertising or  
21 electioneering communication prepared by a candidate, a political  
22 committee, or its authorized agent;

23 (iv) Sums paid for tickets to fund-raising events such as dinners  
24 and parties, except for the actual cost of the consumables furnished  
25 at the event.

26 (b) "Contribution" does not include:

27 (i) Standard interest on money deposited in a political  
28 committee's account;

29 (ii) Ordinary home hospitality;

30 (iii) A contribution received by a candidate or political  
31 committee that is returned to the contributor within five business  
32 days of the date on which it is received by the candidate or  
33 political committee;

34 (iv) A news item, feature, commentary, or editorial in a  
35 regularly scheduled news medium that is of primary interest to the  
36 general public, that is in a news medium controlled by a person whose  
37 business is that news medium, and that is not controlled by a  
38 candidate or a political committee;

39 (v) An internal political communication primarily limited to the  
40 members of or contributors to a political party organization or

1 political committee, or to the officers, management staff, or  
2 stockholders of a corporation or similar enterprise, or to the  
3 members of a labor organization or other membership organization;

4 (vi) The rendering of personal services of the sort commonly  
5 performed by volunteer campaign workers, or incidental expenses  
6 personally incurred by volunteer campaign workers not in excess of  
7 fifty dollars personally paid for by the worker. "Volunteer  
8 services," for the purposes of this subsection, means services or  
9 labor for which the individual is not compensated by any person;

10 (vii) Messages in the form of reader boards, banners, or yard or  
11 window signs displayed on a person's own property or property  
12 occupied by a person. However, a facility used for such political  
13 advertising for which a rental charge is normally made must be  
14 reported as an in-kind contribution and counts towards any applicable  
15 contribution limit of the person providing the facility;

16 (viii) Legal or accounting services rendered to or on behalf of:

17 (A) A political party or caucus political committee if the person  
18 paying for the services is the regular employer of the person  
19 rendering such services; or

20 (B) A candidate or an authorized committee if the person paying  
21 for the services is the regular employer of the individual rendering  
22 the services and if the services are solely for the purpose of  
23 ensuring compliance with state election or public disclosure laws; or

24 (ix) The performance of ministerial functions by a person on  
25 behalf of two or more candidates or political committees either as  
26 volunteer services defined in (b)(vi) of this subsection or for  
27 payment by the candidate or political committee for whom the services  
28 are performed as long as:

29 (A) The person performs solely ministerial functions;

30 (B) A person who is paid by two or more candidates or political  
31 committees is identified by the candidates and political committees  
32 on whose behalf services are performed as part of their respective  
33 statements of organization under RCW 42.17A.205; and

34 (C) The person does not disclose, except as required by law, any  
35 information regarding a candidate's or committee's plans, projects,  
36 activities, or needs, or regarding a candidate's or committee's  
37 contributions or expenditures that is not already publicly available  
38 from campaign reports filed with the commission, or otherwise engage  
39 in activity that constitutes a contribution under (a)(ii) of this  
40 subsection.

1 A person who performs ministerial functions under this subsection  
2 (13)(b)(ix) is not considered an agent of the candidate or committee  
3 as long as he or she has no authority to authorize expenditures or  
4 make decisions on behalf of the candidate or committee.

5 (c) Contributions other than money or its equivalent are deemed  
6 to have a monetary value equivalent to the fair market value of the  
7 contribution. Services or property or rights furnished at less than  
8 their fair market value for the purpose of assisting any candidate or  
9 political committee are deemed a contribution. Such a contribution  
10 must be reported as an in-kind contribution at its fair market value  
11 and counts towards any applicable contribution limit of the provider.

12 (14) "Depository" means a bank, mutual savings bank, savings and  
13 loan association, or credit union doing business in this state.

14 (15) "Elected official" means any person elected at a general or  
15 special election to any public office, and any person appointed to  
16 fill a vacancy in any such office.

17 (16) "Election" includes any primary, general, or special  
18 election for public office and any election in which a ballot  
19 proposition is submitted to the voters. An election in which the  
20 qualifications for voting include other than those requirements set  
21 forth in Article VI, section 1 (Amendment 63) of the Constitution of  
22 the state of Washington shall not be considered an election for  
23 purposes of this chapter.

24 (17) "Election campaign" means any campaign in support of or in  
25 opposition to a candidate for election to public office and any  
26 campaign in support of, or in opposition to, a ballot proposition.

27 (18) "Election cycle" means the period beginning on the first day  
28 of January after the date of the last previous general election for  
29 the office that the candidate seeks and ending on December 31st after  
30 the next election for the office. In the case of a special election  
31 to fill a vacancy in an office, "election cycle" means the period  
32 beginning on the day the vacancy occurs and ending on December 31st  
33 after the special election.

34 (19)(a) "Electioneering communication" means any broadcast,  
35 cable, or satellite television or radio transmission, United States  
36 postal service mailing, billboard, newspaper, or periodical that:

37 (i) Clearly identifies a candidate for a state, local, or  
38 judicial office either by specifically naming the candidate, or  
39 identifying the candidate without using the candidate's name;

1 (ii) Is broadcast, transmitted, mailed, erected, distributed, or  
2 otherwise published within sixty days before any election for that  
3 office in the jurisdiction in which the candidate is seeking  
4 election; and

5 (iii) Either alone, or in combination with one or more  
6 communications identifying the candidate by the same sponsor during  
7 the sixty days before an election, has a fair market value of one  
8 thousand dollars or more.

9 (b) "Electioneering communication" does not include:

10 (i) Usual and customary advertising of a business owned by a  
11 candidate, even if the candidate is mentioned in the advertising when  
12 the candidate has been regularly mentioned in that advertising  
13 appearing at least twelve months preceding his or her becoming a  
14 candidate;

15 (ii) Advertising for candidate debates or forums when the  
16 advertising is paid for by or on behalf of the debate or forum  
17 sponsor, so long as two or more candidates for the same position have  
18 been invited to participate in the debate or forum;

19 (iii) A news item, feature, commentary, or editorial in a  
20 regularly scheduled news medium that is:

21 (A) Of primary interest to the general public;

22 (B) In a news medium controlled by a person whose business is  
23 that news medium; and

24 (C) Not a medium controlled by a candidate or a political  
25 committee;

26 (iv) Slate cards and sample ballots;

27 (v) Advertising for books, films, dissertations, or similar works  
28 (A) written by a candidate when the candidate entered into a contract  
29 for such publications or media at least twelve months before becoming  
30 a candidate, or (B) written about a candidate;

31 (vi) Public service announcements;

32 (vii) A mailed internal political communication primarily limited  
33 to the members of or contributors to a political party organization  
34 or political committee, or to the officers, management staff, or  
35 stockholders of a corporation or similar enterprise, or to the  
36 members of a labor organization or other membership organization;

37 (viii) An expenditure by or contribution to the authorized  
38 committee of a candidate for state, local, or judicial office; or

39 (ix) Any other communication exempted by the commission through  
40 rule consistent with the intent of this chapter.



1           (20) "Expenditure" includes a payment, contribution,  
2 subscription, distribution, loan, advance, deposit, or gift of money  
3 or anything of value, and includes a contract, promise, or agreement,  
4 whether or not legally enforceable, to make an expenditure.  
5 "Expenditure" also includes a promise to pay, a payment, or a  
6 transfer of anything of value in exchange for goods, services,  
7 property, facilities, or anything of value for the purpose of  
8 assisting, benefiting, or honoring any public official or candidate,  
9 or assisting in furthering or opposing any election campaign. For the  
10 purposes of this chapter, agreements to make expenditures, contracts,  
11 and promises to pay may be reported as estimated obligations until  
12 actual payment is made. "Expenditure" shall not include the partial  
13 or complete repayment by a candidate or political committee of the  
14 principal of a loan, the receipt of which loan has been properly  
15 reported.

16           (21) "Final report" means the report described as a final report  
17 in RCW 42.17A.235(2).

18           (22) "General election" for the purposes of RCW 42.17A.405 means  
19 the election that results in the election of a person to a state or  
20 local office. It does not include a primary.

21           (23) "Gift" has the definition in RCW 42.52.010.

22           (24) "Immediate family" includes the spouse or domestic partner,  
23 dependent children, and other dependent relatives, if living in the  
24 household. For the purposes of the definition of "intermediary" in  
25 this section, "immediate family" means an individual's spouse or  
26 domestic partner, and child, stepchild, grandchild, parent,  
27 stepparent, grandparent, brother, half brother, sister, or half  
28 sister of the individual and the spouse or the domestic partner of  
29 any such person and a child, stepchild, grandchild, parent,  
30 stepparent, grandparent, brother, half brother, sister, or half  
31 sister of the individual's spouse or domestic partner and the spouse  
32 or the domestic partner of any such person.

33           (25) "Incumbent" means a person who is in present possession of  
34 an elected office.

35           (26) "Independent expenditure" means an expenditure that has each  
36 of the following elements:

37           (a) It is made in support of or in opposition to a candidate for  
38 office by a person who is not (i) a candidate for that office, (ii)  
39 an authorized committee of that candidate for that office, (iii) a  
40 person who has received the candidate's encouragement or approval to

1 make the expenditure, if the expenditure pays in whole or in part for  
2 political advertising supporting that candidate or promoting the  
3 defeat of any other candidate or candidates for that office, or (iv)  
4 a person with whom the candidate has collaborated for the purpose of  
5 making the expenditure, if the expenditure pays in whole or in part  
6 for political advertising supporting that candidate or promoting the  
7 defeat of any other candidate or candidates for that office;

8 (b) The expenditure pays in whole or in part for political  
9 advertising that either specifically names the candidate supported or  
10 opposed, or clearly and beyond any doubt identifies the candidate  
11 without using the candidate's name; and

12 (c) The expenditure, alone or in conjunction with another  
13 expenditure or other expenditures of the same person in support of or  
14 opposition to that candidate, has a value of (~~eight hundred~~) one  
15 thousand dollars or more. A series of expenditures, each of which is  
16 under (~~eight hundred~~) one thousand dollars, constitutes one  
17 independent expenditure if their cumulative value is (~~eight~~  
18 ~~hundred~~) one thousand dollars or more.

19 (27)(a) "Intermediary" means an individual who transmits a  
20 contribution to a candidate or committee from another person unless  
21 the contribution is from the individual's employer, immediate family,  
22 or an association to which the individual belongs.

23 (b) A treasurer or a candidate is not an intermediary for  
24 purposes of the committee that the treasurer or candidate serves.

25 (c) A professional fund-raiser is not an intermediary if the  
26 fund-raiser is compensated for fund-raising services at the usual and  
27 customary rate.

28 (d) A volunteer hosting a fund-raising event at the individual's  
29 home is not an intermediary for purposes of that event.

30 (28) "Legislation" means bills, resolutions, motions, amendments,  
31 nominations, and other matters pending or proposed in either house of  
32 the state legislature, and includes any other matter that may be the  
33 subject of action by either house or any committee of the legislature  
34 and all bills and resolutions that, having passed both houses, are  
35 pending approval by the governor.

36 (29) "Legislative office" means the office of a member of the  
37 state house of representatives or the office of a member of the state  
38 senate.

39 (30) "Lobby" and "lobbying" each mean attempting to influence the  
40 passage or defeat of any legislation by the legislature of the state

1 of Washington, or the adoption or rejection of any rule, standard,  
2 rate, or other legislative enactment of any state agency under the  
3 state administrative procedure act, chapter 34.05 RCW. Neither  
4 "lobby" nor "lobbying" includes an association's or other  
5 organization's act of communicating with the members of that  
6 association or organization.

7 (31) "Lobbyist" includes any person who lobbies either in his or  
8 her own or another's behalf.

9 (32) "Lobbyist's employer" means the person or persons by whom a  
10 lobbyist is employed and all persons by whom he or she is compensated  
11 for acting as a lobbyist.

12 (33) "Ministerial functions" means an act or duty carried out as  
13 part of the duties of an administrative office without exercise of  
14 personal judgment or discretion.

15 (34) "Participate" means that, with respect to a particular  
16 election, an entity:

17 (a) Makes either a monetary or in-kind contribution to a  
18 candidate;

19 (b) Makes an independent expenditure or electioneering  
20 communication in support of or opposition to a candidate;

21 (c) Endorses a candidate before contributions are made by a  
22 subsidiary corporation or local unit with respect to that candidate  
23 or that candidate's opponent;

24 (d) Makes a recommendation regarding whether a candidate should  
25 be supported or opposed before a contribution is made by a subsidiary  
26 corporation or local unit with respect to that candidate or that  
27 candidate's opponent; or

28 (e) Directly or indirectly collaborates or consults with a  
29 subsidiary corporation or local unit on matters relating to the  
30 support of or opposition to a candidate((~~7~~)) including, but not  
31 limited to, the amount of a contribution, when a contribution should  
32 be given, and what assistance, services or independent expenditures,  
33 or electioneering communications, if any, will be made or should be  
34 made in support of or opposition to a candidate.

35 (35) "Person" includes an individual, partnership, joint venture,  
36 public or private corporation, association, federal, state, or local  
37 governmental entity or agency however constituted, candidate,  
38 committee, political committee, political party, executive committee  
39 thereof, or any other organization or group of persons, however  
40 organized.

1 (36) "Political advertising" includes any advertising displays,  
2 newspaper ads, billboards, signs, brochures, articles, tabloids,  
3 flyers, letters, radio or television presentations, or other means of  
4 mass communication, used for the purpose of appealing, directly or  
5 indirectly, for votes or for financial or other support or opposition  
6 in any election campaign.

7 (37) "Political committee" means any person (except a candidate  
8 or an individual dealing with his or her own funds or property)  
9 having the expectation of receiving contributions or making  
10 expenditures in support of, or opposition to, any candidate or any  
11 ballot proposition.

12 (38) "Primary" for the purposes of RCW 42.17A.405 means the  
13 procedure for nominating a candidate to state or local office under  
14 chapter 29A.52 RCW or any other primary for an election that uses, in  
15 large measure, the procedures established in chapter 29A.52 RCW.

16 (39) "Public office" means any federal, state, judicial, county,  
17 city, town, school district, port district, special district, or  
18 other state political subdivision elective office.

19 (40) "Public record" has the definition in RCW 42.56.010.

20 (41) "Recall campaign" means the period of time beginning on the  
21 date of the filing of recall charges under RCW 29A.56.120 and ending  
22 thirty days after the recall election.

23 (42)(a) "Sponsor" for purposes of an electioneering  
24 communications, independent expenditures, or political advertising  
25 means the person paying for the electioneering communication,  
26 independent expenditure, or political advertising. If a person acts  
27 as an agent for another or is reimbursed by another for the payment,  
28 the original source of the payment is the sponsor.

29 (b) "Sponsor," for purposes of a political committee, means any  
30 person, except an authorized committee, to whom any of the following  
31 applies:

32 (i) The committee receives eighty percent or more of its  
33 contributions either from the person or from the person's members,  
34 officers, employees, or shareholders;

35 (ii) The person collects contributions for the committee by use  
36 of payroll deductions or dues from its members, officers, or  
37 employees.

38 (43) "Sponsored committee" means a committee, other than an  
39 authorized committee, that has one or more sponsors.

1 (44) "State office" means state legislative office or the office  
2 of governor, lieutenant governor, secretary of state, attorney  
3 general, commissioner of public lands, insurance commissioner,  
4 superintendent of public instruction, state auditor, or state  
5 treasurer.

6 (45) "State official" means a person who holds a state office.

7 (46) "Surplus funds" mean, in the case of a political committee  
8 or candidate, the balance of contributions that remain in the  
9 possession or control of that committee or candidate subsequent to  
10 the election for which the contributions were received, and that are  
11 in excess of the amount necessary to pay remaining debts incurred by  
12 the committee or candidate with respect to that election. In the case  
13 of a continuing political committee, "surplus funds" mean those  
14 contributions remaining in the possession or control of the committee  
15 that are in excess of the amount necessary to pay all remaining debts  
16 when it makes its final report under RCW 42.17A.255.

17 (47) "Treasurer" and "deputy treasurer" mean the individuals  
18 appointed by a candidate or political committee, pursuant to RCW  
19 42.17A.210, to perform the duties specified in that section.

20 **Sec. 3.** RCW 42.17A.475 and 2010 c 204 s 611 are each amended to  
21 read as follows:

22 (1) A person may not make a contribution of more than ((~~eighty~~))  
23 one hundred dollars, other than an in-kind contribution, except by a  
24 written instrument containing the name of the donor and the name of  
25 the payee.

26 (2) A political committee may not make a contribution, other than  
27 in-kind, except by a written instrument containing the name of the  
28 donor and the name of the payee.

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