BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0477.3/26 3rd draft

ATTY/TYPIST: KS:eab

BRIEF DESCRIPTION: Making adjustments to the schedule for reporting campaign finance expenditure activity.

AN ACT Relating to making adjustments to the schedule for reporting campaign finance expenditure activity; and amending RCW 29B.10.240, 29B.10.390, 29B.25.020, 29B.25.070, 29B.25.090, and 29B.25.100.

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

Sec. 1. RCW 29B.10.240 and 2024 c 164 s 224 are each amended to read as follows:

"Final report" means the report described as a final report in RCW 29B.25.090((~~(11)~~)) (10)(a).

Sec. 2. RCW 29B.10.390 and 2024 c 164 s 239 are each amended to read as follows:

"Participate" means that, with respect to a particular election, an entity:

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

(2) Makes an independent expenditure, regardless of the monetary value of the expenditure, or electioneering communication in support of or opposition to a candidate;

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

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

(5) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services, or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate; or

(6) Makes an expenditure in support of or opposition to a ballot proposition.

Sec. 3. RCW 29B.25.020 and 2024 c 164 s 419 are each amended to read as follows:

(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 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;

(e) A statement whether the committee is a continuing one and whether the committee expects to participate in any election campaign for the calendar year in which the statement of organization is filed;

(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 29B.40.090, 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 title;

(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~~))(a) Except as provided in this subsection, any material change in information previously submitted in a statement of organization shall be reported to the commission within the 10 days following the change.

(b) Each political committee must submit a statement to the commission by January 1st of each year to indicate whether or not the committee expects to participate in any election campaign for that year. The statement must include the information required in subsection (2)(f) and (g) of this section for each campaign not previously provided.

(i) Any change to the statement of participation to indicate the committee is expecting to participate in one or more election campaigns must be made no later than 24 hours of such participation.

(ii) Any change to the statement of participation to indicate the committee is not expecting to participate in an election campaign for

the primary or general election may only be made before July 1st of the same year.

(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. 4. RCW 29B.25.070 and 2024 c 164 s 424 are each amended to read as follows:

(1) In addition to the provisions of this section, a continuing political committee shall file and report on the same conditions and at the same times as any other committee in accordance with the provisions of RCW 29B.25.020, 29B.25.040, ((~~and~~)) 29B.25.060, and 29B.25.090.

(2) ((~~A continuing political committee shall file with the commission a report on the tenth day of each month detailing expenditures made and contributions received for the preceding calendar month. This report need only be filed if either the total contributions received or total expenditures made since the last such report exceed two hundred dollars. The report shall be on a form supplied by the commission and shall include the following information:~~

~~(a) The information required by RCW 29B.25.100;~~

~~(b) Each expenditure made to retire previously accumulated debts of the committee identified by recipient, amount, and date of payments;~~

~~(c) Other information the commission shall prescribe by rule.~~

~~(3) If a continuing political committee makes a contribution in support of or in opposition to a candidate or ballot proposition within 60 days before the date that the candidate or ballot proposition will be voted upon, the committee shall report pursuant to RCW 29B.25.090.~~

~~(4)~~))(a) A continuing political committee shall file reports as required by this title until the committee has ceased to function and intends to dissolve, at which time, when there is no outstanding debt or obligation and the committee is concluded in all respects, a final report shall be filed. Upon submitting a final report, the continuing

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) The continuing political committee may dissolve 60 days after it files its notice to dissolve, only if:

(i) The continuing 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 title after filing such notice;

(ii) No complaint or court action, pursuant to this title, is pending against the continuing political committee; and

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

(c) The continuing political committee must continue to report regularly as required under this title 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 title. 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.

((~~(5)~~)) (3) The treasurer shall maintain books of account, current within five business days, that accurately reflect all contributions and expenditures. During the 10 calendar days immediately preceding the date of any election that the committee has received any contributions or made any expenditures, the books of account shall be kept current within one business day and shall be open for public inspection in the same manner as provided for candidates and other political committees in RCW 29B.25.090((~~(6)~~)) (5).

((~~(6)~~)) (4) All reports filed pursuant to this section shall be certified as correct by the treasurer.

((~~(7)~~)) (5) The treasurer 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.

Sec. 5. RCW 29B.25.090 and 2024 c 164 s 426 are each amended to read as follows:

(1)(a) In addition to the information required under RCW 29B.25.020 and 29B.25.040, 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 29B.25.030 and 29B.25.040, 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 29B.25.100(7), as well as the source of the 10 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 10th largest source of payments it received, if any.

(2)(a) Each treasurer of a candidate or political committee, or an incidental committee, required to file a statement of organization under this title, 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 29B.25.100 ((~~at the following intervals:~~

~~(a) On the 21st day and the seventh day immediately preceding the date on which the election is held; and~~

~~(b) On the 10th day of the first full month after the election~~)) on the 10th day of each month of the year.

(b) In addition to the reporting dates under (a) of this subsection, the following shall file with the commission a report containing the information required by RCW 29B.25.100 on the 25th day of each month beginning in July through October of the same year:

(i) Each treasurer of a candidate in the primary or general election of that year;

(ii) Each treasurer of a political committee expecting to participate in the primary or general election of that year, as required in the statement of participation, pursuant to RCW 29B.25.020; and

(iii) Each incidental committee.

(c) Any political committee that has not changed its statement of participation before July 1st of the same year to indicate the committee is not expecting to participate in an election campaign for

the primary or general election must report pursuant to (b) of this subsection.

(3)(a) ((~~Each treasurer of a candidate or political committee shall file with the commission a report on the 10th day of each month during which the candidate or political committee is not participating in an election campaign, 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 10th 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 29B.25.100(2)(d) as included in its last report; or~~

~~(ii) Made any election campaign expenditure reportable under RCW 29B.25.100(7) since its last report, and the total election campaign expenditures made since the last report exceed two hundred dollars.~~

~~(4) The report filed 21 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. 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 10th day of the month ((~~shall~~)) under subsection (2) of this section must 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, except the reports filed in the months of July through October must report all contributions received and expenditures made through the end of two business days before the date of the report.

(b) Reports filed on the 25th day of the month under subsection (2)(b) of this section must report all contributions received and expenditures made from the closing date of the last report filed through the end of two business days before the date of the report.

((~~(5)~~)) (4) 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)~~)) (5)(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 10 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 29B.25.020, 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 10th 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 title 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 48 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)~~)) (6) Copies of all reports filed pursuant to this section shall be readily available for public inspection by appointment, pursuant to subsection ((~~(6)~~)) (5) of this section.

((~~(8)~~)) (7) 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)~~)) (8) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.

((~~(10)~~)) (9) 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 21 days of filing an initial report if:

(a) The report is accurately amended;

(b) The amended report is filed more than 30 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)~~)) (10)(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 60 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 title after filing such notice;

(ii) No complaint or court action under this title 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 title 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 title. 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)~~)) (11) The commission must adopt rules for the dissolution of incidental committees.

Sec. 6. RCW 29B.25.100 and 2024 c 164 s 427 are each amended to read as follows:

Each report required under RCW 29B.25.090 (1) ((~~through (4)~~)) and (2) must be certified as correct by the treasurer and the candidate and shall disclose the following, except an incidental committee only must disclose and certify as correct the information required under subsections (2)(d) and (7) of this section:

(1) The funds on hand at the beginning of the period;

(2) The name and address of each person who has made one or more contributions during the period, together with the money value and date of each contribution and the aggregate value of all contributions received from each person during the campaign, or in the case of a continuing political committee, the current calendar year, with the following exceptions:

(a) Pledges in the aggregate of less than one hundred dollars from any one person need not be reported;

(b) Income that results from a fund-raising activity conducted in accordance with RCW 29B.25.080 may be reported as one lump sum, with the exception of that portion received from persons whose names and

addresses are required to be included in the report required by RCW 29B.25.080;

(c) Contributions of no more than twenty-five dollars in the aggregate from any one person during the election campaign may be reported as one lump sum if the treasurer maintains a separate and private list of the name, address, and amount of each such contributor;

(d) Payments received by an incidental committee from any one person need not be reported unless the person is one of the committee's 10 largest sources of payments received, including any persons tied as the 10th largest source of payments received, during the current calendar year, and the value of the cumulative payments received from that person during the current calendar year is ten thousand dollars or greater. For payments to incidental committees from multiple persons received in aggregated form, any payment of more than ten thousand dollars from any single person must be reported, but the aggregated payment itself may not be reported. The commission may suspend or modify reporting requirements for payments received by an incidental committee in cases of manifestly unreasonable hardship under this title;

(e) Payments from private foundations organized under section 501(c)(3) of the internal revenue code to an incidental committee do not have to be reported if:

(i) The private foundation is contracting with the incidental committee for a specific purpose other than election campaign purposes;

(ii) Use of the funds for election campaign purposes is explicitly prohibited by contract; and

(iii) Funding from the private foundation represents less than 25 percent of the incidental committee's total budget;

(f) Commentary or analysis on a ballot proposition by an incidental committee is not considered a contribution if it does not advocate specifically to vote for or against the ballot proposition; and

(g) The money value of contributions of postage is the face value of the postage;

(3) Each loan, promissory note, or security instrument to be used by or for the benefit of the candidate or political committee made by any person, including the names and addresses of the lender and each

person liable directly, indirectly or contingently and the date and amount of each such loan, promissory note, or security instrument;

(4) All other contributions not otherwise listed or exempted;

(5) 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 to the candidate or political committee that:

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

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

(6) The name and address of each candidate or political committee to which any transfer of funds was made, including the amounts and dates of the transfers;

(7) The name and address of each person to whom an expenditure was made in the aggregate amount of more than fifty dollars during the period covered by this report, the amount, date, and purpose of each expenditure, and the total sum of all expenditures. An incidental committee only must report on expenditures, made and reportable as contributions as defined in RCW 29B.10.160, to election campaigns. For purposes of this subsection, commentary or analysis on a ballot proposition by an incidental committee is not considered an expenditure if it does not advocate specifically to vote for or against the ballot proposition;

(8) The name, address, and electronic contact information of each person to whom an expenditure was made for soliciting or procuring signatures on an initiative or referendum petition, the amount of the compensation to each person, and the total expenditures made for this purpose. Such expenditures shall be reported under this subsection in addition to what is required to be reported under subsection (7) of this section;

(9)(a) The name and address of any person and the amount owed for any debt with a value of more than seven hundred fifty dollars that has not been paid for any invoices submitted, goods received, or services performed, within five business days during the period within 30 days before an election, or within 10 business days during any other period.

(b) For purposes of this subsection, debt does not include regularly recurring expenditures of the same amount that have already been reported at least once and that are not late or outstanding;

(10) The surplus or deficit of contributions over expenditures;

(11) The disposition made in accordance with RCW 29B.40.090 of any surplus funds; and

(12) Any other information required by the commission by rule in conformance with the policies and purposes of this title.

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