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ENGROSSED SECOND SUBSTITUTE SENATE BILL 6249

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State of Washington

54th Legislature

1996 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Quigley, Smith and Goings)

Read first time 02/06/96.

1 AN ACT Relating to campaign finance reform; amending RCW 42.17.040,  
2 42.17.390, 42.17.395, 42.17.640, 42.17.690, and 42.17.790; adding new  
3 sections to chapter 42.17 RCW; adding a new section to chapter 29.80  
4 RCW; and prescribing penalties.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 42.17 RCW  
7 to read as follows:

8 (1) This section applies to contributions to a candidate, state  
9 official, or political committee who has failed to file a statement of  
10 acceptance of voluntary expenditure limits set forth in section 3 of  
11 this act.

12 (2) A candidate for a state office may not accept from any person  
13 contributions that in the aggregate exceed twenty-five percent of the  
14 contribution limits provided for in RCW 42.17.640.

15 (3) A state official against whom recall charges have been filed,  
16 and a political committee having the expectation of making expenditures  
17 in support of the recall of the state official, may not accept from any  
18 person contributions that in the aggregate exceed twenty-five percent  
19 of the contribution limits provided for in RCW 42.17.640.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 42.17 RCW  
2 to read as follows:

3        (1) This section applies to contributions to a candidate, state  
4 official, or political committee who has filed a statement of  
5 acceptance of voluntary expenditure limits set forth in section 3 of  
6 this act.

7        (2) A candidate for a state office may not accept from any person  
8 contributions that in the aggregate exceed the contribution limits  
9 provided for in RCW 42.17.640.

10       (3) A state official against whom recall charges have been filed,  
11 and a political committee having the expectation of making expenditures  
12 in support of the recall of the state official, may not accept from any  
13 person contributions during a recall campaign that in the aggregate  
14 exceed the contribution limits provided for in RCW 42.17.640.

15       NEW SECTION.    **Sec. 3.**    A new section is added to chapter 42.17 RCW  
16 to read as follows:

17       When a person becomes a candidate or files for state office, he or  
18 she shall sign and file with the commission a statement of acceptance  
19 or rejection of the voluntary expenditure limits in section 4 of this  
20 act.    A state official whose recall is demanded or a political  
21 committee having the expectation of making expenditures in support of  
22 a recall shall sign and file with the commission a statement of  
23 acceptance or rejection of the voluntary expenditure limits in section  
24 4 of this act.    The commission shall provide the form of the statement  
25 and agreement by rule.    The commission shall index and make available  
26 for public inspection and copying a list of the statements of  
27 acceptance or rejection filed by candidates.

28       NEW SECTION.    **Sec. 4.**    A new section is added to chapter 42.17 RCW  
29 to read as follows:

30       (1) In accordance with RCW 42.17.690, the commission shall revise  
31 expenditure limits applicable in an election cycle for a candidate who  
32 files a statement of acceptance under section 3 of this act.

33       (2) The initial expenditure limits shall be as follows for the  
34 following offices and classes of offices:

35       (a) Governor:    One million dollars;

36       (b) All other state executive offices:    Two hundred fifty thousand  
37 dollars;

- 1 (c) State senator: Eighty thousand dollars; and  
2 (d) State representative: Fifty thousand dollars.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 42.17 RCW  
4 to read as follows:

5 (1) It is a violation of this chapter for a person to make a  
6 contribution or expenditure in support of or opposition to a candidate  
7 other than one within the limits in this chapter or an independent  
8 expenditure as defined in RCW 42.17.020.

9 (2) If a candidate has agreed to expenditure limits under section  
10 3 of this act and: (a) Knowingly accepts a contribution in excess of  
11 the amounts allowed; or (b) has encouraged, approved, or collaborated  
12 in the making of an unlawful expenditure by another in connection with  
13 his or her campaign, the expenditure limit must be reduced by the  
14 amount of the unlawful contribution or expenditure.

15 (3) Payments of candidate filing fees, fees or assessments relating  
16 to the primary or general election candidates' pamphlet, or costs  
17 incurred in the course of defending against a challenge of a person's  
18 eligibility to become a candidate or a motion for injunction under RCW  
19 42.17.390, do not constitute expenditures for the purpose of  
20 determining whether a candidate has exceeded an expenditure limit.

21 **Sec. 6.** RCW 42.17.040 and 1989 c 280 s 2 are each amended to read  
22 as follows:

23 (1) Every political committee, within two weeks after its  
24 organization or, within two weeks after the date when it first has the  
25 expectation of receiving contributions or making expenditures in any  
26 election campaign, whichever is earlier, shall file a statement of  
27 organization with the commission and with the county auditor or  
28 elections officer of the county in which the candidate resides, or in  
29 the case of any other political committee, the county in which the  
30 treasurer resides. A political committee organized within the last  
31 three weeks before an election and having the expectation of receiving  
32 contributions or making expenditures during and for that election  
33 campaign shall file a statement of organization within three business  
34 days after its organization or when it first has the expectation of  
35 receiving contributions or making expenditures in the election  
36 campaign.

1 (2) The statement of organization shall include but not be limited  
2 to:

3 (a) The name and address of the committee;

4 (b) The names and addresses of all related or affiliated committees  
5 or other persons, and the nature of the relationship or affiliation;

6 (c) The names, addresses, and titles of its officers; or if it has  
7 no officers, the names, addresses, and titles of its responsible  
8 leaders;

9 (d) The name and address of its treasurer and depository;

10 (e) A statement whether the committee is a continuing one;

11 (f) The name, office sought, and party affiliation of each  
12 candidate whom the committee is supporting or opposing, and, if the  
13 committee is supporting the entire ticket of any party, the name of the  
14 party;

15 (g) The ballot proposition concerned, if any, and whether the  
16 committee is in favor of or opposed to such proposition;

17 (h) What distribution of surplus funds will be made, in accordance  
18 with RCW 42.17.095, in the event of dissolution;

19 (i) The street address of the place and the hours during which the  
20 committee will make available for public inspection its books of  
21 account and all reports filed in accordance with RCW 42.17.080; and

22 (j) Such other information as the commission may by regulation  
23 prescribe, in keeping with the policies and purposes of this chapter.

24 (3) A committee filing under this section that intends to support  
25 or oppose only one candidate or ballot measure, or to contribute to or  
26 expend fifty percent or more of its funds on behalf of, or in  
27 opposition to, one candidate or ballot measure, shall include the name  
28 of that candidate or ballot measure as part of the name of the  
29 committee. The commission shall promptly notify the named candidate of  
30 the group's organization and intent.

31 (4) Any material change in information previously submitted in a  
32 statement of organization shall be reported to the commission and to  
33 the appropriate county elections officer within the ten days following  
34 the change.

35 **Sec. 7.** RCW 42.17.390 and 1993 c 2 s 28 are each amended to read  
36 as follows:

1 One or more of the following civil remedies and sanctions may be  
2 imposed by court order in addition to any other remedies provided by  
3 law:

4 ~~(1) ((If the court finds that the violation of any provision of~~  
5 ~~this chapter by any candidate or political committee probably affected~~  
6 ~~the outcome of any election, the result of said election may be held))~~  
7 The court or the legislature, as applicable, shall presume that a  
8 material and substantial violation of this chapter has affected the  
9 outcome of the election. Unless the presumption is defeated by clear,  
10 cogent, and convincing evidence, the court or the legislature, as  
11 applicable, shall declare the election void, and a special election  
12 must be held within sixty days of such finding. Any action to void an  
13 election shall be commenced within one year of the date of the election  
14 in question. It is intended that this remedy be imposed freely in all  
15 appropriate cases to protect the right of the electorate to an informed  
16 and knowledgeable vote.

17 (2) If any lobbyist or sponsor of any grass roots lobbying campaign  
18 violates any of the provisions of this chapter, his registration may be  
19 revoked or suspended and he may be enjoined from receiving compensation  
20 or making expenditures for lobbying: PROVIDED, HOWEVER, That  
21 imposition of such sanction shall not excuse said lobbyist from filing  
22 statements and reports required by this chapter.

23 (3) Any person who violates any of the provisions of this chapter  
24 may be subject to a civil penalty of not more than ten thousand dollars  
25 for each such violation. However, a person or entity who violates  
26 ~~((RCW 42.17.640))~~ this chapter may be subject to a civil penalty of ten  
27 thousand dollars or three times the amount of the contribution  
28 illegally made or accepted, whichever is greater. The penalty may not  
29 be paid from campaign funds, and solicitations to political committees  
30 may not be made in connection with the penalty.

31 (4) Any person who fails to file a properly completed statement or  
32 report within the time required by this chapter may be subject to a  
33 civil penalty of ten dollars per day for each day each such delinquency  
34 continues.

35 (5) Any person who fails to report a contribution or expenditure  
36 may be subject to a civil penalty equivalent to the amount he failed to  
37 report.

38 (6) Any person who makes an independent expenditure that is  
39 unlawful because of the encouragement, approval, or collaboration of a

1 candidate may be subject to a penalty of up to three times the amount  
2 of the unlawful independent expenditure.

3 (7) The court may enjoin any person to prevent the doing of any act  
4 herein prohibited, or to compel the performance of any act required  
5 herein.

6 **Sec. 8.** RCW 42.17.395 and 1989 c 175 s 91 are each amended to read  
7 as follows:

8 (1) The commission may (a) determine whether an actual violation of  
9 this chapter has occurred; and (b) issue and enforce an appropriate  
10 order following such determination.

11 (2) The commission, in cases where it chooses to determine whether  
12 an actual violation of this chapter has occurred, shall hold a hearing  
13 pursuant to the Administrative Procedure Act, chapter 34.05 RCW, to  
14 make such determination. Any order that the commission issues under  
15 this section shall be pursuant to such hearing.

16 (3) In lieu of holding a hearing or issuing an order under this  
17 section, the commission may refer the matter to the attorney general or  
18 other enforcement agency as provided in RCW 42.17.360.

19 (4) The person against whom an order is directed under this section  
20 shall be designated as the respondent. The order may require the  
21 respondent to cease and desist from the activity that constitutes a  
22 violation and in addition, or alternatively, may impose one or more of  
23 the remedies provided in RCW 42.17.390(~~(1)(b), (c), (d), or (e)~~):  
24 PROVIDED, That no individual penalty assessed by the commission may  
25 exceed one thousand dollars, and in any case where multiple violations  
26 are involved in a single complaint or hearing, the maximum aggregate  
27 penalty may not exceed two thousand five hundred dollars.

28 (5) An order issued by the commission under this section shall be  
29 subject to judicial review under the Administrative Procedure Act,  
30 chapter 34.05 RCW. If the commission's order is not satisfied and no  
31 petition for review is filed within thirty days as provided in RCW  
32 34.05.542, the commission may petition a court of competent  
33 jurisdiction of any county in which a petition for review could be  
34 filed under that section, for an order of enforcement. Proceedings in  
35 connection with the commission's petition shall be in accordance with  
36 RCW 42.17.397.

1       **Sec. 9.** RCW 42.17.640 and 1995 c 397 s 20 are each amended to read  
2 as follows:

3       (1) No person, other than a bona fide political party or a caucus  
4 political committee, may make contributions to a candidate for a state  
5 legislative office that in the aggregate exceed five hundred dollars or  
6 to a candidate for a state office other than a state legislative office  
7 that in the aggregate exceed one thousand dollars for each election in  
8 which the candidate is on the ballot or appears as a write-in  
9 candidate. Contributions made with respect to a primary may not be  
10 made after the date of the primary. Contributions made with respect to  
11 a general election may not be made after the final day of the  
12 applicable election cycle.

13       (2) No person, other than a bona fide political party or a caucus  
14 political committee, may make contributions to a state official against  
15 whom recall charges have been filed, or to a political committee having  
16 the expectation of making expenditures in support of the recall of the  
17 state official, during a recall campaign that in the aggregate exceed  
18 five hundred dollars if for a state legislative office or one thousand  
19 dollars if for a state office other than a state legislative office.

20       (3)(a) Notwithstanding subsection (1) of this section, no bona fide  
21 political party or caucus political committee may make contributions to  
22 a candidate during an election cycle that in the aggregate exceed (i)  
23 fifty cents multiplied by the number of eligible registered voters in  
24 the jurisdiction from which the candidate is elected if the contributor  
25 is a caucus political committee or the governing body of a state  
26 organization, or (ii) twenty-five cents multiplied by the number of  
27 registered voters in the jurisdiction from which the candidate is  
28 elected if the contributor is a county central committee or a  
29 legislative district committee.

30       (b) No candidate may accept contributions from a county central  
31 committee or a legislative district committee during an election cycle  
32 that when combined with contributions from other county central  
33 committees or legislative district committees would in the aggregate  
34 exceed twenty-five cents times the number of registered voters in the  
35 jurisdiction from which the candidate is elected.

36       (4)(a) Notwithstanding subsection (2) of this section, no bona fide  
37 political party or caucus political committee may make contributions to  
38 a state official against whom recall charges have been filed, or to a  
39 political committee having the expectation of making expenditures in

1 support of the state official, during a recall campaign that in the  
2 aggregate exceed (i) fifty cents multiplied by the number of eligible  
3 registered voters in the jurisdiction entitled to recall the state  
4 official if the contributor is a caucus political committee or the  
5 governing body of a state organization, or (ii) twenty-five cents  
6 multiplied by the number of registered voters in the jurisdiction from  
7 which the candidate is elected if the contributor is a county central  
8 committee or a legislative district committee.

9 (b) No state official against whom recall charges have been filed,  
10 no authorized committee of the official, and no political committee  
11 having the expectation of making expenditures in support of the recall  
12 of a state official may accept contributions from a county central  
13 committee or a legislative district committee during an election cycle  
14 that when combined with contributions from other county central  
15 committees or legislative district committees would in the aggregate  
16 exceed twenty-five cents multiplied by the number of registered voters  
17 in the jurisdiction from which the candidate is elected.

18 (5) For purposes of determining contribution limits under  
19 subsections (3) and (4) of this section, the number of eligible  
20 registered voters in a jurisdiction is the number at the time of the  
21 most recent general election in the jurisdiction.

22 (6) Notwithstanding subsections (1) through (4) of this section, no  
23 person other than ((an individual,)) a bona fide political party((,))  
24 or caucus political committee may make contributions reportable under  
25 this chapter to a caucus political committee that in the aggregate  
26 exceed five hundred dollars in a calendar year or to a bona fide  
27 political party that in the aggregate exceed two thousand five hundred  
28 dollars in a calendar year. This subsection does not apply to loans  
29 made in the ordinary course of business.

30 (7) For the purposes of ((RCW 42.17.640 through 42.17.790)) this  
31 chapter, a contribution to the authorized political committee of a  
32 candidate, or of a state official against whom recall charges have been  
33 filed, is considered to be a contribution to the candidate or state  
34 official.

35 (8) A contribution received within the twelve-month period after a  
36 recall election concerning a state office is considered to be a  
37 contribution during that recall campaign if the contribution is used to  
38 pay a debt or obligation incurred to influence the outcome of that  
39 recall campaign.

1 (9) The contributions allowed by subsection (2) of this section are  
2 in addition to those allowed by subsection (1) of this section, and the  
3 contributions allowed by subsection (4) of this section are in addition  
4 to those allowed by subsection (3) of this section.

5 (10) (~~RCW 42.17.640 through 42.17.790 apply~~) This chapter applies  
6 to a special election conducted to fill a vacancy in a state office.  
7 However, the contributions made to a candidate or received by a  
8 candidate for a primary or special election conducted to fill such a  
9 vacancy shall not be counted toward any of the limitations that apply  
10 to the candidate or to contributions made to the candidate for any  
11 other primary or election.

12 (11) Notwithstanding the other subsections of this section, no  
13 corporation or business entity not doing business in Washington state,  
14 no labor union with fewer than ten members who reside in Washington  
15 state, and no political committee that has not received contributions  
16 of ten dollars or more from at least ten persons registered to vote in  
17 Washington state during the preceding one hundred eighty days may make  
18 contributions reportable under this chapter to a candidate, to a state  
19 official against whom recall charges have been filed, or to a political  
20 committee having the expectation of making expenditures in support of  
21 the recall of the official. This subsection does not apply to loans  
22 made in the ordinary course of business.

23 (12) Notwithstanding the other subsections of this section, no  
24 county central committee or legislative district committee may make  
25 contributions reportable under this chapter to a candidate, state  
26 official against whom recall charges have been filed, or political  
27 committee having the expectation of making expenditures in support of  
28 the recall of a state official if the county central committee or  
29 legislative district committee is outside of the jurisdiction entitled  
30 to elect the candidate or recall the state official.

31 (13) No person may accept contributions that exceed the  
32 contribution limitations provided in this section.

33 (14) The following contributions are exempt from the contribution  
34 limits of this section:

35 (a) An expenditure or contribution earmarked for voter  
36 registration, for absentee ballot information, for precinct caucuses,  
37 for get-out-the-vote campaigns, for precinct judges or inspectors, for  
38 sample ballots, or for ballot counting, all without promotion of or  
39 political advertising for individual candidates; or

1 (b) An expenditure by a political committee for its own internal  
2 organization or fund raising without direct association with individual  
3 candidates.

4 (15) Contributions to a state legislative candidate may be accepted  
5 by the candidate or a political committee supporting the candidate only  
6 if the person making the contribution resides or works in the  
7 legislative district of the candidate.

8 (16) Contributions to a state legislator against whom recall  
9 charges have been filed or to a political committee having the  
10 expectation of making expenditures in support of the recall of a state  
11 legislator may be accepted by the legislator or committee only if the  
12 person making the contribution resides or works in the legislative  
13 district of the state legislator against whom the recall charges have  
14 been filed.

15 NEW SECTION. Sec. 10. A new section is added to chapter 29.80 RCW  
16 to read as follows:

17 The secretary of state shall add to each candidates' pamphlet a  
18 list of the campaign spending limits recommended by the public  
19 disclosure commission for each of the state offices for which the  
20 statements of candidates appear in the pamphlet and a brief explanation  
21 of the effect of a promise filed with the commission under section 3 of  
22 this act.

23 In preparing the candidates' pamphlet for publication, the  
24 secretary of state shall secure from the public disclosure commission  
25 its most current list of candidates who have promised to limit  
26 spending, in accordance with section 3 of this act. Using this list,  
27 the secretary of state shall print a notice, explaining the voluntary  
28 campaign limits or referring to the location in the pamphlet of the  
29 explanation required by this section, on each page of the pamphlet  
30 containing the statements and photographs of candidates. The secretary  
31 of state shall develop distinctive symbols or logos that will identify  
32 whether a particular candidate has or has not accepted the voluntary  
33 spending limits for that campaign. Based on the information supplied  
34 by the public disclosure commission under this section immediately  
35 prior to publication of the pamphlet, the secretary of state shall  
36 print the appropriate symbol or logo in conjunction with the statement  
37 of each candidate to indicate whether or not the candidate has accepted  
38 the voluntary spending limits for that campaign.

1       **Sec. 11.** RCW 42.17.690 and 1993 c 2 s 9 are each amended to read  
2 as follows:

3       (~~At the beginning of each even numbered calendar year, the~~  
4 ~~commission shall increase or decrease all dollar amounts in this~~  
5 ~~chapter based on changes in economic conditions as reflected in the~~  
6 ~~inflationary index used by the commission under RCW 42.17.370.)) The  
7 commission shall, by January 1, 1998, and by January 1st of each even-  
8 numbered year thereafter, adopt revisions in the existing contribution  
9 and expenditure limits. Revisions must be for the purpose of  
10 recognizing: (1) Changes in the number of registered voters state-  
11 wide; and (2) economic changes as reflected by an inflationary index  
12 recommended by the office of financial management. The revisions must  
13 be guided by the change in the index for the two-year period before the  
14 date the revision is to be adopted. The new dollar amounts established  
15 by the commission under this section shall be rounded off by the  
16 commission to amounts as judged most convenient for public  
17 understanding and so as to be within ten percent of the target amount  
18 equal to the base amount provided in this chapter multiplied by the  
19 increase in the inflationary index since December 3, 1992.~~

20       NEW SECTION. **Sec. 12.** A new section is added to chapter 42.17 RCW  
21 to read as follows:

22       Notwithstanding RCW 42.17.640, no person other than a bona fide  
23 political party or a caucus political committee may make contributions  
24 reportable under this chapter to a political committee other than a  
25 candidate, a state official against whom recall charges have been  
26 filed, a bona fide political party, or a caucus political committee,  
27 that in the aggregate exceed five hundred dollars in a calendar year.

28       **Sec. 13.** RCW 42.17.790 and 1995 c 397 s 27 are each amended to  
29 read as follows:

30       (1) (~~Except as provided in subsection (2) of this section,~~) A  
31 candidate for public office or the candidate's political committee is  
32 prohibited from accepting contributions or expending any funds  
33 contributed to the candidate or the candidate's political committee  
34 before the designation by the candidate of the office to which the  
35 candidate is seeking election.

36       (2) A candidate for public office or the candidate's political  
37 committee may not use or permit the use of contributions, whether or

1 not surplus, solicited for or received by the candidate for public  
2 office or the candidate's political committee to further the candidacy  
3 of the individual for an office (~~(other than the)~~) unless that specific  
4 office is designated on the statement of organization or has been  
5 expressly designated by the candidate. With regard to contributions  
6 accepted after the effective date of this act, within thirty days after  
7 the individual becomes a candidate for an office other than the office  
8 expressly designated by the candidate on the statement of organization,  
9 the candidate or the candidate's political committee shall return  
10 unspent contributions on a pro rata basis according to the  
11 proportionate amount that the original unspent contributions bear to  
12 the total contributions received by the candidate and the candidate's  
13 political committee. Unspent contributions that cannot be returned  
14 after reasonable efforts shall be contributed to a charitable  
15 organization registered under chapter 19.09 RCW. Alternatively, the  
16 candidate may maintain unspent contributions in a separate account  
17 until after filing of the last report under RCW 42.17.080 or 42.17.105,  
18 whichever is later, and may then dispose of these unspent contributions  
19 under RCW 42.17.095. A contribution solicited for or received on  
20 behalf of the candidate for public office is considered solicited or  
21 received for the candidacy for which the individual is then a candidate  
22 if the contribution is solicited or received before the general  
23 elections for which the candidate for public office is a nominee or is  
24 unopposed.

25 ~~((2) With the written approval of the contributor, a candidate for~~  
26 ~~public office or the candidate's political committee may use or permit~~  
27 ~~the use of contributions, whether or not surplus, solicited for or~~  
28 ~~received by the candidate for public office or the candidate's~~  
29 ~~political committee from that contributor to further the candidacy of~~  
30 ~~the individual for an office other than the office designated on the~~  
31 ~~statement of organization. If the contributor does not approve the use~~  
32 ~~of his or her contribution to further the candidacy of the individual~~  
33 ~~for an office other than the office designated on the statement of~~  
34 ~~organization at the time of the contribution, the contribution must be~~  
35 ~~considered surplus funds and disposed of in accordance with RCW~~  
36 ~~42.17.095.))~~

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