

Metropolitan King County Council Committee of the Whole

STAFF REPORT

Agenda I tem No.: 4 Date: 2 June 2010

Proposed Ordinance No.: 2009-0496 Prepared by: Rebecha Cusack

Nick Wagner

SUMMARY

Proposed Ordinance 2009-0496 (pp. 5-8 of these materials) would place on the November 2010 ballot a charter amendment eliminating, as redundant, the requirement that campaign-related finance reports be filed with the county director of elections as well as with the Washington State Public Disclosure Commission.¹

BACKGROUND

Candidates for state or local elective office and political committees are required by state law to file monthly reports of campaign receipts and expenditures with the Washington State Public Disclosure Commission (PDC) and with the county elections officer. See RCW 42.17.080, pp. 11-12 of these materials. These are the reports referred to by the PDC as "C" reports. The reports must be filed on the 10th day of each month, including the month after the election. RCW 42.17.080(2)(b),(c).

King County Charter section 690 (p. 17 of these materials) requires candidates for county elective office to file a similar report with the county elections officer "within 10 days after the primary, general or special election, as the case may be."⁴

¹ In the current title of the proposed ordinance, the ballot date is November 2009, since the ordinance was originally introduced in 2009. Title Amendment T1 would change the ballot date to November 2010. ² Since 2002, reports that were filed with the PDC electronically have *not* had to be filed locally. *See* RCW 42.17.080(9).

³ The reports must also be filed on the 21st day and the seventh day preceding the date of the election. RCW 42.17.080(2)(a). *See also* the PDC reporting schedules for 2010 and PDC FAQs (pp. 13-16 of these materials).

⁴ Section 690 provides in part: "Every candidate for nomination or election to an elective county office shall, within ten days after the primary, general or special election as the case may be, file an itemized statement with the executive department responsible for conducting elections showing all campaign contributions and pledges of manpower and material made to him or on his behalf and all campaign expenditures and obligations incurred by him or on his behalf."

Section 690 is implemented by the county code, which requires in KCC 1.04.010 (p. 19 of these materials) that candidates use the state PDC forms for making the county filing. In practice, therefore, candidates can meet the requirement of charter section 690 by filing with King County Elections the same statements of campaign receipts and expenditures that they file with the state PDC.

The state PDC now makes available online the campaign financial statements that it receives from candidates. Arguably, this undercuts the need for local filing, since the information is readily available online from the state PDC. Accordingly, legislation signed by the governor on March 25 of this year, which will take effect on June 10, eliminates the requirement that candidates and political committees file "C" reports with their local county elections officer in addition to the state PDC. *See* Senate Bill 6243, Chapter 205, Laws of 2010 (pp. 21-34 of these materials).⁵

Charter section 690, however, remains in effect and continues to require "C" reports to be filed locally.

PROPOSED ORDINANCE 2009-0496

The charter amendment that would be placed on the ballot by Proposed Ordinance 2009-0496 (pp. 5-8 of these materials) would eliminate this seemingly redundant local filing requirement in King County by inserting the following sentence into charter section 690: "Timely filing of a statement of campaign receipts and expenditures with the Washington State Public Disclosure Commission in accordance with chapter 42.17 RCW satisfies the filing obligations of this section."

The proposed amendment also includes technical changes to make the language of section 690 gender-neutral.

TITLE AMENDMENT

Title Amendment T1 would update the ordinance title to provide that the proposed charter amendment is to be placed on the ballot in 2010, rather than 2009 as originally drafted.

COUNCIL OPTIONS

The Council has at least two options:

1. Adopt Proposed Ordinance 2009-0496 (pp. 5-8 of these materials), which would place on the November 2010 ballot a charter amendment eliminating the requirement that campaign-related finance reports be filed with the county director of elections as well as with the Washington State Public Disclosure Commission;

⁵ The Final Bill Report, which summarizes the effect of SB6243, is included at pp. 35-36.

2. Take no action at this time.

TIMELINE

The charter deadline for Council action to place proposed amendments on the November 2010 ballot is September 17; however, adoption of a charter amendment at that late date, while complying with the county charter, would make it necessary for county elections staff to publish a supplemental voter pamphlet, which would entail substantial additional cost to the county. Adoption that late would also put additional time pressure on the process of recruiting individuals to serve on the pro-con committees and preparing the pro-con statements. To avoid these undesirable consequences, the practical deadline for Council action to place a charter amendment on the ballot is the last Council meeting before the August recess: July 26.

INVITEES

1. Sherril Huff, King County Director of Elections

ATTACHMENTS	
1. Proposed Ordinance 2009-0496	5
2. Title Amendment T1	9
3. RCW 42.17.080	11
4. PDC 2010 reporting schedules	
5. PDC FAQs	
6. King County Charter § 690	17
7. King County Code § 1.04.010	19
8. Senate Bill 6243, Chapter 205, Laws of 2010	21
9. Senate Bill 6243 – Final Bill Report	

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Proposed No. 2009-0496.1

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

May 22, 2010

Ordinance

Sponsors Lambert

1	AN ORDINANCE proposing an amendment to Section 690
2	of the King County Charter, to specify that timely filing of
3	a statement of campaign receipts and expenditures with the
4	Washington state Public Disclosure Commission in
5	accordance with chapter 42.17 RCW satisfies the filing
6	obligations of Section 690 of the King County Charter;
7	making technical corrections; and submitting the same to
8	the voters of the county for their ratification or rejection at
9	the November 2009 general election.
10	STATEMENT OF FACTS:
11	1. Section 690 of the King County Charter is redundant with requirements
12	in the RCW chapter 42.17 regarding the timely filing of statements of
13	campaign receipts and expenditures with the Washington State Public
14	Disclosure Commission.
15	2. The redundant filing of statements of campaign receipts and
16	expenditures is inefficient and not in the public interest.
17	3. Technological advances make records universally accessible
18	electronically, and it is more valuable and a better use of resources to have
19	records available electronically than in duplicate hard-copy format.

20	4. The county and the state have been performing the same function in
21	reporting campaign receipts and expenditures, but duplicating efforts is
22	not the most efficient use of public finances.
23	BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. There shall be submitted to the voters of King County for their approval and ratification or rejection, at the next general election to be held in this county occurring more than forty-five days after the enactment of this ordinance, an amendment to Section 690 of the King County Charter as set forth herein:

Section 690 Statement of Campaign Contributions and Expenditures.

Every candidate for nomination or election to an elective county office shall, within ten days after the primary, general or special election as the case may be, file an itemized statement with the executive department responsible for conducting elections showing all campaign contributions and pledges of manpower and material made to ((him)) the candidate or on ((his)) the candidate or on ((his)) the candidate or on ((his)) the candidate's behalf and all campaign expenditures and obligations incurred by ((him)) the candidate or on ((his)) the candidate's behalf. Such statement when filed shall be a public record. The county council shall by ordinance prescribe the form of such statement. Timely filing of a statement of campaign receipts and expenditures with the Washington State Public Disclosure Commission in accordance with chapter 42.17 RCW satisfies the filing obligations of this section. A willful violation of this section shall disqualify the candidate from holding county elective office.

41	SECTION 2. The clerk of the council shall certify the proposition to the county
42	elections director, in substantially the following form, with such additions, deletions or
43	modifications as may be required by the prosecuting attorney:
44	Shall Section 690 of the King County Charter be amended to specify that
45	timely filing of a statement of campaign receipts and expenditures with the
46	Washington State Public Disclosure Commission in accordance with

47	chapter 42.17 RCW satisfies the filing obligations of Section 690 of the		
48	King County Charter?		
49			
		KING COUNTY COUNCIL KING COUNTY, WASHINGTON	
	ATTEST:	Robert W. Ferguson, Chair	
	Anne Noris, Clerk of the Council	-	
	APPROVED this day of		
		Dow Constantine, County Executive	
	Attachments: None		

June 2, 2010

nw <u>Lambert</u>

Proposed No.: 2009-0496

1 AMENDMENT TO PROPOSED ORDINANCE 2009-0496, VERSION 1

- 2 On page 1, line 9, strike "2009" and insert "2010"
- 3 EFFECT: Corrects the year in which the proposed charter amendment will be
- 4 placed on the ballot.

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RCW 42.17.080
Reporting of contributions and expenditures — Inspection of accounts.

*** CHANGE IN 2010 *** (SEE 2016-S2.SL) ***

*** CHANGE IN 2010 *** (SEE 6243.SL) ***

- (1) On the day the treasurer is designated, each candidate or political committee shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the treasurer resides, in addition to any statement of organization required under RCW 42.17.040 or 42.17.050, a report of all contributions received and expenditures made prior to that date, if any.
- (2) At the following intervals each treasurer shall file with the commission and the county auditor or elections officer of the county in which the candidate resides, or in the case of a political committee, the county in which the committee maintains its office or headquarters, and if there is no office or headquarters then in the county in which the treasurer resides, a report containing the information required by RCW 42.17.090:
 - (a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and
 - (b) On the tenth day of the first month after the election; and
- (c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed 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.

When there is no outstanding debt or obligation, and the campaign fund is closed, and the campaign is concluded in all respects, and in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there shall be no obligation to make any further reports.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of the 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 the one business day before the date of the report. Reports filed on the tenth day of the month shall 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.

- (3) For the period beginning the first day of the fourth month preceding the date on which the special election is held, or for the period beginning the first day of the fifth month before the date on which the general election is held, and ending on the date of that special or general election, each Monday the treasurer shall file with the commission and the appropriate county elections officer 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 so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.
- (4) If a city requires that candidates or committees for city offices file reports with a city agency, the candidate or treasurer so filing need not also file the report with the county auditor or elections officer.
- (5) The treasurer or candidate 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 eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17.040, the books of account must be open for public inspection by appointment at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any day from the eighth 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 chapter 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 twenty-four hours of the time and day that is requested for the inspection.

- (6) 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.
- (7) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.
- (8) Copies of all reports filed pursuant to this section shall be readily available for public inspection for at least two consecutive hours Monday through Friday, excluding legal holidays, between 8:00 a.m. and 8:00 p.m., as specified in the committee's statement of organization filed pursuant to RCW 42.17.040, at the principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the commission.
- (9) After January 1, 2002, a report that is filed with the commission electronically need not also be filed with the county auditor or elections officer.
- (10) The commission shall adopt administrative rules establishing requirements for filer participation in any system designed and implemented by the commission for the electronic filing of reports.

[$2008 c 73 \S 1$; $2006 c 344 \S 30$; $2005 c 184 \S 1$; $2002 c 75 \S 2$; $2000 c 237 \S 2$; $1999 c 401 \S 13$; $1995 c 397 \S 2$; $1989 c 280 \S 8$; $1986 c 28 \S 1$; $1982 c 147 \S 6$; $1975 1 st ex.s. c 294 \S 6$; $1973 c 1 \S 8$ (Initiative Measure No. 276, approved November 7, 1972).]

Notes:

Effective date -- 2006 c 344 §§ 1-16 and 18-40: See note following RCW 29A.04.311.

Effective date -- 1989 c 280: See note following RCW 42.17.020.

2010 Key Reporting Dates for Candidates

DATE	ACTIVITY	C-4 REPORT PERIOD
Within two weeks of becoming a candidate	File a C-1 (non-incumbents also file an F-1)	
Jan 11 Feb 10 Mar 10 Apr 12 May 10	File monthly C-4 & C-3, if necessary " " " " " " "	close of last report thru Dec 31 close of last report thru Jan 31 close of last report thru Feb 28 close of last report thru Mar 31 close of last report thru Apr 30
June 1	Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday)	
June 7 - 11	Declaration of candidacy filing week	
June 10	File monthly C-4, if necessary	close of last report thru May 31
July 6	Final day to change from mini to full reporting without special circumstances ¹	
July 27	21 day pre-primary C-4 due ²	June 1 thru July 26
Aug 9 - 16	Campaign books open for public inspection	
Aug 10	7 day pre-primary C-4 due	July 27 thru Aug 9
Aug 10 - 16	Special reports due if candidate receives contributions of \$1,000 or more from one source. ³	
Aug 17	PRIMARY ELECTION DAY	
Sept 10	Post-primary C-4 due	Aug 10 thru Aug 31
Sept 21	Final day to change from mini to full reporting without special ci	rcumstances1
Oct 12	21 day pre-general C-4 due	Sep 1 thru Oct 11
Oct 12 – Nov 1	Special reports due if candidate receives contributions of \$1,000 or more in the aggregate from one source. Unless the contribution is from the <u>state committee</u> of a major political party or a minor party, a candidate may not now receive from one sour contributions totaling over \$5,000 in the aggregate. ³	
Oct 25 – Nov 1	Campaign books open for public inspection	
Oct 26	7 day pre-general C-4 due	Oct 12 thru Oct 25
Nov 2	GENERAL ELECTION DAY	
Dec 10	Post-general C-4 due (and C-3, if necessary)	Oct 26 thru Nov 30
Jan 10 (2011)	End of election cycle C-4 due (and C-3, if necessary)	Dec 1 – Dec 31

¹ <u>See</u> WAC 390-16-125.
² Only required of candidates whose names will appear on the primary election ballot or who are running as write-in candidates in the primary election. Candidates who are only in the general election file monthly reports for June, July, and August – these reports are due on the 10th of the following month.

3 Does not constitute authority to exceed any applicable local or state contribution limit.

2010 Key Reporting Dates for Political Committees

DATE	ACTIVITY	C-4 REPORT PERIOD
Within two weeks of forming a committee	File a C-1pc (file an amended C-1pc within ten days of change in committee makeup) ¹	
Jan 11 Feb 10 Mar 10 Apr 12 May 10	File monthly C-4 & C-3, if necessary " " " " " " " "	close of last report thru Dec 31 close of last report thru Jan 31 close of last report thru Feb 28 close of last report thru Mar 31 close of last report thru Apr 30
June 1	Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday)	
June 10	File monthly C-4, if necessary	close of last report thru May 31
July 6	Final day to change from mini to full reporting without special c	ircumstances ²
July 27	21 day pre-primary C-4 due ³	June 1 thru July 26
Aug 9 - 16	Committee books open for public inspection	
Aug 10	7 day pre-primary C-4 due	July 27 thru Aug 9
Aug 10 - 16	Special reports due if committee makes or receives contributions of \$1,000 or more from one source. ⁴	
Aug 17	PRIMARY ELECTION DAY	
Sept 10	Post-primary C-4 due	Aug 10 thru Aug 31
Sept 21	Final day to change from mini to full reporting without special circumstances ²	
Oct 12	21 day pre-general C-4 due	Sep 1 thru Oct 11
Oct 12 – Nov 1	Special reports due if committee makes or receives Contributions of \$1,000 or more in the aggregate. ³	
	Further, unless the contributor is a <u>state committee</u> of a bona fide Political party, no committee may now: 1) receive contributions over \$5,000 in the aggregate from one source or 2) make aggregate Contributions totaling over \$5,000 to a candidate or other political committee.	
Oct 25 – Nov 1	Campaign books open for public inspection	
Oct 26	7 day pre-general C-4 due	Oct 12 thru Oct 25
Nov 2	GENERAL ELECTION DAY	
Dec 10	Post-general C-4 due (and C-3, if necessary)	Oct 26 thru Nov 30
Jan 10 (2011)	End of election cycle C-4 due (and C-3, if necessary)	Dec 1 thru Dec 31

¹ Committees forming within 3 weeks of the election must file C-1pc within 3 business days of organizing.

² See WAC 390-16-125.

³ Primary reports <u>not required</u> of committees only supporting or opposing <u>general election</u> ballot issues. These committees file monthly reports for June, July, August – these reports are due on the 10th of the following month. ⁴ Does not constitute authority to exceed any applicable local or state contribution limit.



• What Starts the Whole Process?

Becoming a candidate. According to the disclosure law, you become a candidate when you do <u>one</u> of these things: raise or spend money for your campaign; reserve space or purchase advertising to promote your candidacy; authorize someone else to do any of these activities for you; state publicly that you're seeking office; or file a declaration of candidacy.

• Once I Become a Candidate, Then What?

<u>Within two weeks</u> of the date you become a candidate, you must file a Personal Financial Affairs Statement* (Form F-1) and a Candidate Registration form (Form C-1) with the PDC, if required. A copy of the C-1 must be filed with your county auditor or elections officer.

*An incumbent officeholder who has filed an F-1 earlier in the year does not need to file a second F-1 in the same year after becoming a candidate.

• Which Candidates Must File Disclosure Reports?

One of two things determines what a candidate discloses. For most candidates, it's the number of registered voters in the jurisdiction where the candidate runs for office. If you are a candidate running for office in a very small jurisdiction, the total amount of contributions you receive or expect to receive will determine whether you report contributions & expenditures.

You must file a Personal Financial Affairs Statement <u>and</u> campaign disclosure reports if you are:

- a state office candidate
- a county office candidate
- a local or judicial office candidate in a jurisdiction with 5,000 or more registered voters
- a candidate who receives or expects to receive contributions of \$5,000 or more in the aggregate regardless of the number of registered voters

File just a Personal Financial Affairs Statement if you are:

 a candidate for local or judicial office in a jurisdiction with 1,000 or more but less than 5,000 registered voters <u>and</u> you do not expect to receive contributions totaling \$5,000 or more

A candidate seeking election to an office in a jurisdiction with less than 1,000 registered voters who does not receive or expect to receive contributions totaling \$5,000 or more does not file any reports with the Public Disclosure Commission.

Registered voter counts are available from the PDC or your county elections office.

Starting Off on the Right Foot

(Answers to Questions Frequently Asked by First-Time Candidates)

May 2010

Where Do I Get Blank Forms and Instructions?

Form templates, brochures, manuals, and training videos are available online at www.pdc.wa.gov under Filer Resources. Contact the PDC at 360-753-1111 or toll-free at 1-877-601-2828 if you do not have Internet access. The PDC offers free compliance training; the schedule is at www.pdc.wa.gov/filers.

• Electronic Filing

A candidate that expects to spend \$10,000 or more is required to file campaign finance reports electronically. The PDC's free software, ORCA, can be used to electronically file the required campaign disclosure reports. The PDC staff offers free ORCA training – the schedule is available at www.pdc.wa.gov/filers.

To work properly, campaign data from the start of the campaign must be entered into the system.

For assistance with electronic filing of campaign finance reports, go to the PDC web page at www.pdc.wa.gov/filers or call toll free at 1-877-601-2828.

• I Suspect There's More to Reporting . . . Right?

Probably. It depends on how much you're going to raise and spend on your campaign.

If you choose <u>Mini Reporting</u> (limiting what you raise or spend to \$5,000 and limiting contributions from one source other than yourself to \$500), <u>the C-1 and the F-1 are the only PDC reports you have to file</u>. Be sure to access and carefully review the Mini Reporting manual found at www.pdc.wa.gov/filers.

If you're going to raise and spend over \$5,000 to get elected (or less than that, but you want to accept more than \$500 from one or more donors), you must select the <u>Full Reporting</u> option. You'll be required to file frequent and detailed contribution and expenditure reports (Forms C-3 and C-4, respectively).

The PDC realizes that candidates are not always able to forecast campaign costs accurately, and may need to switch reporting options. Changing from mini to full reporting must be done at least 30 business days before the election and approved by the PDC staff. A candidate who wishes to change from mini to full reporting must notify all opponents in writing, amend the registration, file contribution & expenditure reports from the start of the campaign, and send a letter to the PDC confirming that these steps have been completed before exceeding the mini reporting limits. The change in reporting options will be approved only if all of these steps are completed at least 30 business days before the election.

The approval to change reporting options from mini to full reporting within 30 business days of the election is not automatic and will only be granted under circumstances outlined in WAC 390-16-125.

• When are Contribution and Expenditure Reports Due?

C-3 Contribution Reports: Before June 1 of the election year, candidates fill out a C-3 report for each bank deposit and file these reports with their C-4 reports. Beginning June 1, each time you make a deposit you must file a C-3 no later than the following Monday. Since contributions must be deposited within 5 business days of receipt, active campaigns will make at least one weekly deposit.

C-4 Summary Reports: This report, along with its attached schedules, summarizes the campaign's financial activity and shows itemized expenditures for a specific period. C-4s are due: From the beginning of the campaign through May of the election year, if a campaign has over \$200 in contributions or expenditures during a month, a C-4 report is filed by the 10th of the following month. Beginning with June of the election year and continuing through the primary and general elections, C-4 reports are due 21 and 7 days *before* each election and on the 10th of the month *after* the month the election was held with the candidate's name on the ballot, even if there was little or no activity to report.

Specific filing dates are listed in the 2010 Key Reporting Dates for Candidates found under Filer Resources at www.pdc.wa.gov. All PDC reports are considered filed as of the postmark date or, if filed electronically, on the file transfer date.

• Where Do I File PDC Reports?

Send the original of all campaign reports (the "C" series) to the PDC; provide a copy of these campaign reports to your county elections officer The personal financial affairs statement (F-1) is, in most cases, filed only with PDC in Olympia. By local ordinance, city office candidates may also have to file copies of "C" reports and the F-1 with their city clerk.

NOTE: Electronically filed reports are not required to be filed with the county auditor.

• Must I Have a Separate Campaign Account?

Candidates must open a separate campaign account in a bank, credit union or savings and loan institution if they accept monetary contributions. A candidate who personally funds his/her entire campaign and accepts no contributions does not have to open a bank account. These candidates are required to make all campaign records, which may include the personal checkbook register and bank statements, available for public inspection during the eight days before the election.

From Whom May I Accept Contributions?

Generally, contributions from individuals, corporations, unions and other organizations are permitted. Candidates for legislative, state executive office, judicial, and some county offices have special contributor restrictions. By federal law, no foreign corporations or citizens (unless they have green cards), national banks and corporations organized by authority of Congress and federal government contractors may contribute to or spend funds on behalf of U.S. candidates.

A candidate may personally finance his/her entire campaign. Local restrictions may apply to candidates seeking some county and city offices. Check with your county elections office or your city clerk.

May I Serve as My Own Treasurer?

Yes. However, candidates who select Full Reporting are strongly encouraged to enlist the aid of a treasurer who has the time and energy necessary to keep detailed, accurate records and file frequent reports. Your treasurer does not need to be a professional accountant.

• Is There a Contribution Limit?

State law sets contribution limits on donations to legislative, state executive, and judicial office candidates, as well as county office and port commissioner candidates in jurisdictions with more than 200,000 registered voters as of the last General Election [Clark, King, Pierce, Snohomish, and Spokane Counties and the Ports of Tacoma and Seattle in 2010] as well as bona fide political party and caucus political committees. See instruction manuals for details. Beginning June 10, limits are extended to county office candidates in all counties, all mayoral candidates, and all city council candidates.

During the 21 days before the general election, no contributor, except the state committee of a bona fide political party, may give more than a total of \$50,000 to a statewide office candidate or \$5,000 to any other candidate or political committee. This restriction also applies to a candidate's personal funds.

Candidates must not accept contributions that exceed their respective limits. Additional local restrictions may apply to candidates seeking local office.

• Is There an Expenditure Limit?

Candidates who choose Mini Reporting self-impose an expenditure limit of \$5,000. There are no expenditure limits for candidates who choose Full Reporting.

• Must I Identify All Contributors?

Anyone who donates monetary and in-kind contributions totaling more than \$25 over the course of your campaign must be identified by name and full address. Plus, if an individual gives you more than \$100 in the aggregate, you must show this person's occupation and the name, city and state of his or her employer.

• May I Be Reimbursed for the Personal Funds I Spend on My Campaign?

A candidate's contributions to his or her own campaign must first be reported as loans in order to be eligible for repayment. A candidate can be repaid up to \$4,700 for primary election loans and \$4,700 for general election loans. Reimbursements for the candidate's out-of-pocket campaign expenses must be made within three weeks or the reimbursement will count against the loan repayment limit.

• Are There Laws Governing Political Ads?

Yes. Details are in the PDC's Political Advertising brochure or the Political Advertising section in the instruction manual.

For more information, contact PDC at (360) 753-1111, toll-free 1-877-601-2828, pdc@pdc.wa.gov (e-mail), or visit PDC's Website (http://www.pdc.wa.gov).

King County Charter § 690

Section 690 Statement of Campaign Contributions and Expenditures.

Every candidate for nomination or election to an elective county office shall, within ten days after the primary, general or special election as the case may be, file an itemized statement with the executive department responsible for conducting elections showing all campaign contributions and pledges of manpower and material made to him or on his behalf and all campaign expenditures and obligations incurred by him or on his behalf. Such statement when filed shall be a public record. The county council shall by ordinance prescribe the form of such statement. A willful violation of this section shall disqualify the candidate from holding county elective office.

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King County Code § 1.04.010

1.04.010 Statement of contributions and expenditures. Each candidate for nomination or election to an elective office in King County shall, in compliance with the provisions of Article 6, Section 690 of the King County Charter, execute and file a statement of campaign contributions and expenditures on the form or forms required by the Public Disclosure Commission pursuant to chapter 42.17 of the Revised Code of Washington. (Ord. 4955 § 1, 1980: Ord. 287 § 1, 1970).

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CERTIFICATION OF ENROLLMENT

SENATE BILL 6243

Chapter 205, Laws of 2010

61st Legislature 2010 Regular Session

CAMPAIGN-RELATED REPORTS AND STATEMENTS--FILING

EFFECTIVE DATE: 06/10/10

Passed by the Senate February 5, 2010 CERTIFICATE YEAS 0 NAYS 0 I, Thomas Hoemann, Secretary of the Senate of the State of BRAD OWEN Washington, do hereby certify that the attached is **SENATE BILL 6243** as passed by the Senate and the President of the Senate House of Representatives on the Passed by the House March 9, 2010 YEAS 0 NAYS 0 dates hereon set forth. THOMAS HOEMANN FRANK CHOPP Secretary Speaker of the House of Representatives Approved March 25, 2010, 3:24 p.m. FILED March 26, 2010

Secretary of State State of Washington

CHRISTINE GREGOIRE

Governor of the State of Washington

SENATE BILL 6243

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature

2010 Regular Session

By Senators Fairley, Oemiq, Swecker, and McDermott; by request of Public Disclosure Commission

Read first time 01/11/10. Referred to Committee on Government Operations & Elections.

- AN ACT Relating to eliminating provisions for filings at locations 1
- 2 other than the public disclosure commission; amending RCW 42.17.040,
- 42.17.050, 42.17.060, 42.17.065, 42.17.067, 42.17.080, 3 42.17.100,
- 42.17.380, and 42.17.450; and repealing RCW 42.17.375 and 42.17.550. 4
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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- 6 Sec. 1. RCW 42.17.040 and 2007 c 358 s 2 are each amended to read 7 as follows:
- Every political committee, within two weeks after 8

organization or, within two weeks after the date when it first has the

the-case-of-any-other-political-committee,-the-county-in-which-the

- 10 expectation of receiving contributions or making expenditures in any
- election campaign, whichever is earlier, shall file a statement of 11
- organization with the commission ((and-with-the-county-auditor-or 12
- elections officer of the county in which the candidate resides, or in
- 15 treasurer resides)). A political committee organized within the last
- 16 three weeks before an election and having the expectation of receiving
- 17 contributions or making expenditures during and for that election
- campaign shall file a statement of organization within three business 18

- days after its organization or when it first has the expectation of receiving contributions or making expenditures in the election campaign.
- 4 (2) The statement of organization shall include but not be limited 5 to:
 - (a) The name and address of the committee;
- 7 (b) The names and addresses of all related or affiliated committees 8 or other persons, and the nature of the relationship or affiliation;
- 9 (c) The names, addresses, and titles of its officers; or if it has 10 no officers, the names, addresses, and titles of its responsible 11 leaders;
 - (d) The name and address of its treasurer and depository;
- 13 (e) A statement whether the committee is a continuing one;
- (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 42.17.095, in the event of dissolution;
 - (i) The street address of the place and the hours during which the committee will make available for public inspection its books of account and all reports filed in accordance with RCW 42.17.080;
 - (j) Such other information as the commission may by regulation prescribe, in keeping with the policies and purposes of this chapter;
 - (k) The name, address, and title of any person who authorizes expenditures or makes decisions on behalf of the candidate or committee; and
 - (1) 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.
- 34 (3) Any material change in information previously submitted in a 35 statement of organization shall be reported to the commission ((and to 36 the—appropriate—county—elections—officer)) within the ten days 37 following the change.

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Sec. 2. RCW 42.17.050 and 1989 c 280 s 3 are each amended to read 2 as follows:

- (1) Each candidate, within two weeks after becoming a candidate, and each political committee, at the time it is required to file a statement of organization, shall designate and file with the commission ((and-the-appropriate-county-elections-officer)) the names and addresses of:
- (a) One legally competent individual, who may be the candidate, to serve as a treasurer; and
- (b) A bank, mutual savings bank, savings and loan association, or credit union doing business in this state to serve as depository and the name of the account or accounts maintained in it.
- (2) A candidate, a political committee, or a treasurer may appoint as many deputy treasurers as is considered necessary and may designate not more than one additional depository in each other county in which the campaign is conducted. The candidate or political committee shall file the names and addresses of the deputy treasurers and additional depositories with the commission ((and the appropriate county elections officer)).
- (3) A candidate may not knowingly establish, use, direct, or control more than one political committee for the purpose of supporting that candidate during a particular election campaign. This does not prohibit: (a) In addition to a candidate's having his or her own political committee, the candidate's participation in a political committee established to support a slate of candidates which includes the candidate; or (b) joint fund-raising efforts by candidates when a separate political committee is established for that purpose and all contributions are disbursed to and accounted for on a pro rata basis by the benefiting candidates.
- (4)(a) A candidate or political committee may at any time remove a treasurer or deputy treasurer or change a designated depository.
- 32 (b) In the event of the death, resignation, removal, or change of 33 a treasurer, deputy treasurer, or depository, the candidate or 34 political committee shall designate and file with the commission ((and 35 the appropriate county elections officer)) the name and address of any 36 successor.
 - (5) No treasurer, deputy treasurer, or depository may be deemed to

- 1 be in compliance with the provisions of this chapter until his name and
- 2 address is filed with the commission (($\frac{and}{the} \frac{appropriate}{appropriate} \frac{county}{appropriate}$
- 3 elections officer)).

- **Sec. 3.** RCW 42.17.060 and 1989 c 280 s 4 are each amended to read 5 as follows:
 - (1) All monetary contributions received by a candidate or political committee shall be deposited by the treasurer or deputy treasurer in a depository in an account established and designated for that purpose. Such deposits shall be made within five business days of receipt of the contribution.
 - (2) Political committees which support or oppose more than one candidate or ballot proposition, or exist for more than one purpose, may maintain multiple separate bank accounts within the same designated depository for such purpose: PROVIDED, That each such account shall bear the same name followed by an appropriate designation which accurately identifies its separate purpose: AND PROVIDED FURTHER, That transfers of funds which must be reported under RCW $42.17.090(1)((\frac{d}{d}))$ (e) may not be made from more than one such account.
 - (3) Nothing in this section prohibits a candidate or political committee from investing funds on hand in a depository in bonds, certificates, tax-exempt securities, or savings accounts or other similar instruments in financial institutions or mutual funds other than the depository: PROVIDED, That the commission ((and—the appropriate county—elections—officer)) is notified in writing of the initiation and the termination of the investment: PROVIDED FURTHER, That the principal of such investment when terminated together with all interest, dividends, and income derived from the investment are deposited in the depository in the account from which the investment was made and properly reported to the commission ((and the appropriate county—elections—officer)) prior to any further disposition or expenditure thereof.
 - (4) Accumulated unidentified contributions, other than those made by persons whose names must be maintained on a separate and private list by a political committee's treasurer pursuant to RCW 42.17.090(1)(b), which total in excess of one percent of the total accumulated contributions received in the current calendar year or three hundred dollars (whichever is more), may not be deposited, used,

- or expended, but shall be returned to the donor, if his identity can be ascertained. If the donor cannot be ascertained, the contribution shall escheat to the state, and shall be paid to the state treasurer for deposit in the state general fund.
- (5) A contribution of more than fifty dollars in currency may not be accepted unless a receipt, signed by the contributor and by the candidate, treasurer, or deputy treasurer, is prepared and made a part of the campaign's or political committee's financial records.
- 9 **Sec. 4.** RCW 42.17.065 and 2000 c 237 s 1 are each amended to read 10 as follows:

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- (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 42.17.040, 42.17.050, and 42.17.060.
- (2) A continuing political committee shall file with the commission ((and—the—auditor—or—elections—officer—of—the—county—in—which—the committee maintains its office or headquarters and if there is no such office—or—headquarters—then—in—the—county—in—which—the—committee treasurer resides)) a report on the tenth day of the month detailing its activities for the preceding calendar month in which the committee has received a contribution or made an expenditure((:—PROVIDED, That)). However, such report shall only be filed if either the total contributions received or total expenditures made since the last such report exceed two hundred dollars((:—PROVIDED—FURTHER,—That—after January—1,—2002,—if—the—committee—files—with—the—commission electronically,—it—need—not—also—file—with—the—county—auditor—or elections—officer)). The report shall be on a form supplied by the commission and shall include the following information:
 - (a) The information required by RCW 42.17.090;
- (b) Each expenditure made to retire previously accumulated debts of the committee; identified by recipient, amount, and date of payments;
- 32 (c) Such other information as the commission shall by rule 33 prescribe.
 - (3) If a continuing political committee shall make a contribution in support of or in opposition to a candidate or ballot proposition within sixty days prior to the date on which such candidate or ballot

- proposition will be voted upon, such continuing political committee shall report pursuant to RCW 42.17.080.
 - (4) A continuing political committee shall file reports as required by this chapter until it is dissolved, at which time a final report shall be filed. Upon submitting a final report, the duties of the ((campaign)) treasurer shall cease and there shall be no obligation to make any further reports.
 - (5) The ((campaign)) treasurer 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 eight days immediately preceding the date of any election, for which 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 42.17.080(5).
- 16 (6) All reports filed pursuant to this section shall be certified 17 as correct by the ((campaign)) treasurer.
- (7) The ((campaign)) 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.
- 22 **Sec. 5.** RCW 42.17.067 and 1989 c 280 s 6 are each amended to read as follows:
 - (1) Fund-raising activities which meet the standards of subsection (2) of this section may be reported in accordance with the provisions of this section in lieu of reporting in accordance with RCW 42.17.080.
 - (2) Standards:

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- (a) The activity consists of one or more of the following:
- 29 (i) The retail sale of goods or services at a reasonable 30 approximation of the fair market value of each item or service sold at 31 the activity; or
- (ii) A gambling operation which is licensed, conducted, or operated in accordance with the provisions of chapter 9.46 RCW; or
- (iii) A gathering where food and beverages are purchased, where the price of admission or the food and beverages is no more than twenty-five dollars; or

- (iv) A concert, dance, theater performance, or similar entertainment event where the price of admission is no more than twenty-five dollars; or
 - (v) An auction or similar sale where the total fair market value of items donated by any person for sale is no more than fifty dollars; and
 - (b) No person responsible for receiving money at such activity knowingly accepts payments from a single person at or from such an activity to the candidate or committee aggregating more than fifty dollars unless the name and address of the person making such payment together with the amount paid to the candidate or committee are disclosed in the report filed pursuant to subsection (6) of this section; and
 - (c) Such other standards as shall be established by rule of the commission to prevent frustration of the purposes of this chapter.
 - (3) All funds received from a fund-raising activity which conforms with subsection (2) of this section shall be deposited within five business days of receipt by the treasurer or deputy treasurer in the depository.
 - (4) At the time reports are required under RCW 42.17.080, the treasurer or deputy treasurer making the deposit shall file with the commission ((and the appropriate county elections officer)) a report of the fund-raising activity which shall contain the following information:
 - (a) The date of the activity;

- (b) A precise description of the fund-raising methods used in the activity; and
- (c) The total amount of cash receipts from persons, each of whom paid no more than fifty dollars.
- 29 (5) The treasurer or deputy treasurer shall certify the report is 30 correct.
 - (6) The treasurer shall report pursuant to RCW 42.17.080 and 42.17.090: (a) The name and address and the amount contributed of each person who contributes goods or services with a fair market value of more than fifty dollars to a fund-raising activity reported under subsection (4) of this section, and (b) the name and address of each person whose identity can be ascertained, and the amount paid, from whom were knowingly received payments to the candidate or committee

- 1 aggregating more than fifty dollars at or from such a fund-raising 2 activity.
 - Sec. 6. RCW 42.17.080 and 2008 c 73 s 1 are each amended to read as follows:
 - (1) On the day the treasurer is designated, each candidate or political committee shall file with the commission ((and-the-county auditor-or-elections-officer-of-the-county-in-which-the-candidate resides, or in the case of a political committee, the county in which the treasurer resides)), in addition to any statement of organization required under RCW 42.17.040 or 42.17.050, a report of all contributions received and expenditures made prior to that date, if any.
 - (2) At the following intervals each treasurer shall file with the commission ((and the county auditor or elections officer of the county in—which—the—candidate—resides,—or—in—the—case—of—a—political committee, the—county—in which—the—committee maintains—its—office—or headquarters, and—if—there—is—no—office—or—headquarters—then—in—the county—in—which—the—treasurer—resides,)) a report containing the information required by RCW 42.17.090:
 - (a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; and
 - (b) On the tenth day of the first month after the election; and
 - (c) On the tenth day of each month in which no other reports are required to be filed under this section((: PROVIDED, That)). However, such report shall only be filed 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.

When there is no outstanding debt or obligation, and the campaign fund is closed, and the campaign is concluded in all respects, and in the case of a political committee, the committee has ceased to function and has dissolved, the treasurer shall file a final report. Upon submitting a final report, the duties of the treasurer shall cease and there shall be no obligation to make any further reports.

The report filed twenty-one days before the election shall report all contributions received and expenditures made as of the end of ((the)) 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 ((the)) one business day before the date of the report. Reports filed on the tenth day of the month shall 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.

- (3) For the period beginning the first day of the fourth month preceding the date on which the special election is held, or for the period beginning the first day of the fifth month before the date on which the general election is held, and ending on the date of that special or general election, each Monday the treasurer shall file with the commission ((and-the-appropriate-county-elections-officer)) a report of each bank deposit made during the previous seven calendar The report shall contain the name of each person contributing the funds so deposited and the amount contributed by each person. However, contributions of no more than twenty-five dollars in the aggregate from any one person may be deposited without identifying the contributor. A copy of the report shall be retained by the treasurer for his or her records. In the event of deposits made by a deputy treasurer, the copy shall be forwarded to the treasurer for his or her records. Each report shall be certified as correct by the treasurer or deputy treasurer making the deposit.
- (4) ((If a city requires that candidates or committees for city offices file reports with a city agency, the candidate or treasurer so filing-need-not-also-file-the-report-with-the-county-auditor-or elections officer.
- (5))) The treasurer or candidate 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 eight days immediately preceding the date of the election the books of account shall be kept current within one business day. As specified in the committee's statement of organization filed under RCW 42.17.040, the books of account must be open for public inspection by appointment at the designated place for inspections between 8:00 a.m. and 8:00 p.m. on any day from the eighth 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 chapter 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 twenty-four hours of the time and day that
- 4 is requested for the inspection.
- 5 ((\(\frac{(+6+)}{(5)}\)) (5) 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.
- 9 $((\frac{7}{}))$ (6) All reports filed pursuant to subsection (1) or (2) of this section shall be certified as correct by the candidate and the treasurer.
- $((\frac{8}{1}))$ (7) Copies of all reports filed pursuant to this section 12 shall be readily available for public inspection for at least two 13 consecutive hours Monday through Friday, excluding legal holidays, 14 between 8:00 a.m. and 8:00 p.m., as specified in the committee's 15 16 statement of organization filed pursuant to RCW 42.17.040, at the 17 principal headquarters or, if there is no headquarters, at the address of the treasurer or such other place as may be authorized by the 18 commission. 19
- 20 (((9)-After-January-1,-2002,-a-report-that-is-filed-with-the 21 commission-electronically-need-not-also-be-filed-with-the-county 22 auditor or elections officer.
- (10)) (8) The commission shall adopt administrative rules establishing requirements for filer participation in any system designed and implemented by the commission for the electronic filing of reports.
- 27 **Sec. 7.** RCW 42.17.100 and 1995 c 397 s 28 are each amended to read 28 as follows:
- (1) For the purposes of this section ((and RCW 42.17.550)) the term 29 30 "independent expenditure" means any expenditure that is made in support 31 of or in opposition to any candidate or ballot proposition and is not otherwise required to be reported pursuant to RCW 42.17.060, 42.17.080, 32 or 42.17.090. "Independent expenditure" does not include: An internal 33 political communication primarily limited to the contributors to a 34 political party organization or political action committee, or the 35 36 officers, management staff, and stockholders of a corporation or 37 similar enterprise, or the members of a labor organization or other

membership organization; or the rendering of personal services of the sort commonly performed by volunteer campaign workers, or incidental expenses personally incurred by volunteer campaign workers not in excess of fifty dollars personally paid for by the worker. "Volunteer services," for the purposes of this section, means services or labor for which the individual is not compensated by any person.

- (2) Within five days after the date of making an independent expenditure that by itself or when added to all other such independent expenditures made during the same election campaign by the same person equals one hundred dollars or more, or within five days after the date of making an independent expenditure for which no reasonable estimate of monetary value is practicable, whichever occurs first, the person who made the independent expenditure shall file with the commission ((and the county elections officer of the county of residence for the candidate supported or opposed by the independent expenditure (or in the case of an expenditure made in support of or in opposition to a local ballot proposition, the county of residence for the person making the expenditure))) an initial report of all independent expenditures made during the campaign prior to and including such date.
- (3) At the following intervals each person who is required to file an initial report pursuant to subsection (2) of this section shall file with the commission ((and the county elections officer of the county of residence—for—the—candidate—supported—or—opposed—by—the—independent expenditure (or in the case of an expenditure made in support of or in opposition—to—a ballot—proposition, the—county—of—residence—for—the person making—the—expenditure))) a further report of the independent expenditures made since the date of the last report:
- (a) On the twenty-first day and the seventh day preceding the date on which the election is held; and
 - (b) On the tenth day of the first month after the election; and
- (c) On the tenth day of each month in which no other reports are required to be filed pursuant to this section. However, the further reports required by this subsection (3) shall only be filed if the reporting person has made an independent expenditure since the date of the last previous report filed.
- The report filed pursuant to paragraph (a) of this subsection (3) shall be the final report, and upon submitting such final report the

- duties of the reporting person shall cease, and there shall be no obligation to make any further reports.
 - (4) All reports filed pursuant to this section shall be certified as correct by the reporting person.
 - (5) Each report required by subsections (2) and (3) of this section shall disclose for the period beginning at the end of the period for the last previous report filed or, in the case of an initial report, beginning at the time of the first independent expenditure, and ending not more than one business day before the date the report is due:
 - (a) The name and address of the person filing the report;
- (b) The name and address of each person to whom an independent 11 expenditure was made in the aggregate amount of more than fifty 12 13 dollars, and the amount, date, and purpose of each such expenditure. 14 If no reasonable estimate of the monetary value of a particular independent expenditure is practicable, it is sufficient to report 15 instead a precise description of services, property, or rights 16 17 furnished through the expenditure and where appropriate to attach a copy of the item produced or distributed by the expenditure; 18
- 19 (c) The total sum of all independent expenditures made during the 20 campaign to date; and
- 21 (d) Such other information as shall be required by the commission 22 by rule in conformance with the policies and purposes of this chapter.
- 23 **Sec. 8.** RCW 42.17.380 and 1982 c 35 s 196 are each amended to read 24 as follows:
- 25 (((1) The office of the secretary of state shall be designated as 26 a-place-where-the-public-may-file-papers-or-correspond-with-the 27 commission and receive any form or instruction from the commission.
 - (2))) The attorney general, through his office, shall supply such assistance as the commission may require in order to carry out its responsibilities under this chapter. The commission may employ attorneys who are neither the attorney general nor an assistant attorney general to carry out any function of the attorney general prescribed in this chapter.
- 34 **Sec. 9.** RCW 42.17.450 and 1973 c 1 s 45 are each amended to read as follows:
- 36 ((Persons with whom statements or reports or copies of statements

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- 1 or reports are required to be filed under this chapter shall preserve
- 2 them for not less than six years.)) The commission((, however, shall))
- 3 <u>must</u> preserve ((such)) statements or reports required to be filed under
- 4 <u>this chapter</u> for not less than ten years.
- 5 <u>NEW SECTION.</u> **Sec. 10.** The following acts or parts of acts are 6 each repealed:
- 7 (1) RCW 42.17.375 (Reports filed with county elections official--
- 8 Rules governing) and 1983 c 294 s 1; and
- 9 (2) RCW 42.17.550 (Independent expenditure disclosure) and 1993 c
- 10 2 s 23.

Passed by the Senate February 5, 2010. Passed by the House March 9, 2010.

Approved by the Governor March 25, 2010.

Filed in Office of Secretary of State March 26, 2010.

FINAL BILL REPORT SB 6243

C 205 L 10

Synopsis as Enacted

Brief Description: Eliminating provisions for filings at locations other than the public disclosure commission.

Sponsors: Senators Fairley, Oemig, Swecker and McDermott; by request of Public Disclosure Commission.

Senate Committee on Government Operations & Elections House Committee on State Government & Tribal Affairs

Background: Initiative 276, passed by voters in 1972, established disclosure of campaign finances, lobbyist activities, financial affairs of elective officers and candidates, and access to public records. That initiative also created the Public Disclosure Commission (PDC), a five member, bi-partisan citizen commission to enforce the provisions of the campaign finance disclosure law.

Among the statutory duties of the PDC are to: compile and maintain a current list of all filed reports; investigate whether properly completed statements and reports have been filed within the times required; and investigate and report apparent violations of campaign finance law to the appropriate authorities.

The law requires that political subcommittees file a statement of organization with both the PDC and the county auditor of the county in which the political committee's treasurer lives. This statement must be completed within two weeks of the committee's organization or within two weeks after the date when it first expects to receive contributions or make expenditures. The information required includes the names and addresses of the committee, any affiliated committees, its officers or responsible leaders, and its treasurer and depository. The statement of organization must also include information regarding the candidate the committee is supporting or opposing, or the ballot proposition the committee is supporting or opposing. A candidate, within two weeks after becoming a candidate, must also designate and file with the PDC and the county auditor the names and addresses of the campaign treasurer and depository.

Once the statement of organization is filed with the PDC and the county auditor, a committee must report all contributions received and expenditures made at the following times:

• on the 10th day of each month, provided that total contributions or expenditures exceed \$200 since the last report;

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Senate Bill Report - 1 - SB 6243

- on the 21st day and the 7th day immediately preceding the date of the election; and
- on the 10th day of the first month after the election.

A continuing political committee is required to report to the PDC and the county auditor (of the county in which the committee maintains its office or headquarters, or the county in which the committee treasurer resides) on the 10th day of every month detailing contributions and expenditures. If the continuing political committee files electronically with the PDC, then it need not report to the county auditor.

An independent expenditure is any expenditure that is made in support of, or in opposition to, any candidate or ballot proposition and is not otherwise required to report to the PDC and the county auditor. Persons making independent expenditures must file an initial report to the PDC and the county auditor within five days of making an independent expenditure of at least \$100. In addition, further reports are required to be filed with the PDC and the county auditor at the following times:

- on the 21st day and the 7th day preceding the date on which the election is held;
- on the 10th day of the first month after the election; and
- on the 10th day of each month in which no other reports are required to be filed and the person has made an independent expenditure since the last previous report was filed.

A person or entity making an independent expenditure by mailing 1,000 or more identical (or nearly identical) cumulative pieces of political advertising in a single calendar year must file a statement with the county auditor within two working days after the mailing date. The statement must disclose the number of pieces in the mailing and include an example of the mailed political advertising. The county auditor receiving the filing must be the county of residence for mailings the candidate supported or opposed by the campaign expenditure. For mailings made in support of, or in opposition to, a ballot proposition, the statement must be filed with the county auditor of the county of residence for the person making the expenditure.

Summary: The requirement that candidates and political committees file campaign-related reports and statements with their local county auditor in addition to the Public Disclosure Commission is eliminated.

Votes on Final Passage:

Senate 47 0

House 95 1 (House amended) House 93 0 (House receded)

Effective: June 10, 2010