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HOUSE BILL 1038

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Appleton, Armstrong, Blake, Frockt, Finn, Roberts, Dickerson, Hurst, and Moeller; by request of Public Disclosure Commission

Prefiled 12/16/10. Read first time 01/10/11. Referred to Committee on State Government & Tribal Affairs.

AN ACT Relating to the disclosure of telephone campaign advertising in state and local election campaigns; amending RCW 42.17.020, 42.17.510, and 42.17A.320; reenacting and amending RCW 42.17A.005; creating a new section; providing an effective date; and providing an expiration date.

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

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NEW SECTION. Sec. 1. The legislature finds an important and even compelling public interest in the disclosure of who is conducting telephone campaign advertising. The legislature finds an important and even compelling public interest in the disclosure of telephone campaign advertising that is portrayed as a poll or survey to gather statistical data but is in fact conveying information designed to persuade the recipient to vote for or against a candidate or ballot measure. legislature finds that telephone campaign advertising masquerading as research adds to public cynicism about election campaigns and discredits legitimate survey research. Therefore, the legislature intends to provide increased transparency to the citizens of Washington by requiring timely sponsor identification of telephone advertising including persuasive polls commonly known as push polls.

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Sec. 2. RCW 42.17.020 and 2008 c 6 s 201 are each amended to read as follows:

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

- (1) "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity.
- (2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasi-municipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.
- (3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.
- (4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency prior to its circulation for signatures.
- (5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.
 - (6) "Bona fide political party" means:
- 29 (a) An organization that has filed a valid certificate of 30 nomination with the secretary of state under chapter 29A.20 RCW;
 - (b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or
- 35 (c) The county central committee or legislative district committee 36 of a major political party. There may be only one legislative district 37 committee for each party in each legislative district.

- 1 (7) "Depository" means a bank designated by a candidate or 2 political committee pursuant to RCW 42.17.050.
 - (8) "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political committee, pursuant to RCW 42.17.050, to perform the duties specified in that section.
 - (9) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:
- 9 (a) Receives contributions or makes expenditures or reserves space 10 or facilities with intent to promote his or her candidacy for office;
 - (b) Announces publicly or files for office;

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- 12 (c) Purchases commercial advertising space or broadcast time to 13 promote his or her candidacy; or
 - (d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.
 - (10) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.
 - (11) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the use of newspapers, magazines, television and radio stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.
 - (12) "Commission" means the agency established under RCW 42.17.350.
 - (13) "Compensation" unless the context requires a narrower meaning, includes payment in any form for real or personal property or services of any kind: PROVIDED, That for the purpose of compliance with RCW 42.17.241, the term "compensation" shall not include per diem allowances or other payments made by a governmental entity to reimburse a public official for expenses incurred while the official is engaged in the official business of the governmental entity.
 - (14) "Continuing political committee" means a political committee that is an organization of continuing existence not established in anticipation of any particular election campaign.
 - (15)(a) "Contribution" includes:
- 37 (i) A loan, gift, deposit, subscription, forgiveness of

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- indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
 - (ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;
- 9 (iii) The financing by a person of the dissemination, distribution, 10 or republication, in whole or in part, of broadcast, written, graphic, 11 or other form of political advertising or electioneering communication 12 prepared by a candidate, a political committee, or its authorized 13 agent;
- (iv) Sums paid for tickets to fund-raising events such as dinners and parties, except for the actual cost of the consumables furnished at the event.
 - (b) "Contribution" does not include:
- 18 (i) Standard interest on money deposited in a political committee's account;
 - (ii) Ordinary home hospitality;

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- (iii) A contribution received by a candidate or political committee that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;
- (iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;
- (v) An internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;
- (vi) 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;

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

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

- (A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or
- (B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or
- (ix) The performance of ministerial functions by a person on behalf of two or more candidates or political committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political committee for whom the services are performed as long as:
 - (A) The person performs solely ministerial functions;
- (B) A person who is paid by two or more candidates or political committees is identified by the candidates and political committees on whose behalf services are performed as part of their respective statements of organization under RCW 42.17.040; and
- (C) The person does not disclose, except as required by law, any information regarding a candidate's or committee's plans, projects, activities, or needs, or regarding a candidate's or committee's contributions or expenditures that is not already publicly available from campaign reports filed with the commission, or otherwise engage in activity that constitutes a contribution under (a)(ii) of this subsection.
- A person who performs ministerial functions under this subsection (15)(b)(ix) is not considered an agent of the candidate or committee as long as he or she has no authority to authorize expenditures or make decisions on behalf of the candidate or committee.

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

- (16) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.
- (17) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters: PROVIDED, That an election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.
- (18) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.
- (19) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.
- (20) "Electioneering communication" means any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that:
- (a) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;
- (b) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and

- 1 (c) Either alone, or in combination with one or more communications 2 identifying the candidate by the same sponsor during the sixty days 3 before an election, has a fair market value of five thousand dollars or 4 more.
 - (21) "Electioneering communication" does not include:
 - (a) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding his or her becoming a candidate;
 - (b) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;
- 15 (c) A news item, feature, commentary, or editorial in a regularly 16 scheduled news medium that is:
 - (i) Of primary interest to the general public;
- 18 (ii) In a news medium controlled by a person whose business is that 19 news medium; and
- 20 (iii) Not a medium controlled by a candidate or a political committee;
 - (d) Slate cards and sample ballots;

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- (e) Advertising for books, films, dissertations, or similar works
 (i) written by a candidate when the candidate entered into a contract
 for such publications or media at least twelve months before becoming
 a candidate, or (ii) written about a candidate;
 - (f) Public service announcements;
 - (g) A mailed internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;
 - (h) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or
- 35 (i) Any other communication exempted by the commission through rule 36 consistent with the intent of this chapter.
- 37 (22) "Expenditure" includes a payment, contribution, subscription, 38 distribution, loan, advance, deposit, or gift of money or anything of

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- value, and includes a contract, promise, or agreement, whether or not 1 2 legally enforceable, to make an expenditure. The term "expenditure" also includes a promise to pay, a payment, or a transfer of anything of 3 value in exchange for goods, services, property, facilities, 4 5 anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or 6 7 opposing any election campaign. For the purposes of this chapter, 8 agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. 9 10 term "expenditure" shall not include the partial or complete repayment by a candidate or political committee of the principal of a loan, the 11 12 receipt of which loan has been properly reported.
- 13 (23) "Final report" means the report described as a final report in RCW 42.17.080(2).
- 15 (24) "General election" for the purposes of RCW 42.17.640 means the 16 election that results in the election of a person to a state office. 17 It does not include a primary.
- 18 (25) "Gift," is as defined in RCW 42.52.010.

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- (26) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if living in the household. For the purposes of RCW 42.17.640 through 42.17.790, "immediate family" means an individual's spouse or domestic partner, and child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual and the spouse or the domestic partner of any such person and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, half brother, sister, or half sister of the individual's spouse or domestic partner and the spouse or the domestic partner of any such person.
- 29 (27) "Incumbent" means a person who is in present possession of an elected office.
- 31 (28) "Independent expenditure" means an expenditure that has each 32 of the following elements:
 - (a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any

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

- (b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and
- (c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of five hundred dollars or more. A series of expenditures, each of which is under five hundred dollars, constitutes one independent expenditure if their cumulative value is five hundred dollars or more.
- (29)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family as defined for purposes of RCW 42.17.640 through 42.17.790, or an association to which the individual belongs.
- (b) A treasurer or a candidate is not an intermediary for purposes of the committee that the treasurer or candidate serves.
- (c) A professional fund-raiser is not an intermediary if the fund-raiser is compensated for fund-raising services at the usual and customary rate.
- (d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.
- (30) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.
- (31) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state

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Administrative Procedure Act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

- (32) "Lobbyist" includes any person who lobbies either in his or her own or another's behalf.
- (33) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.
- (34) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.
- 12 (35) "Participate" means that, with respect to a particular 13 election, an entity:
 - (a) Makes either a monetary or in-kind contribution to a candidate;
 - (b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;
 - (c) Endorses a candidate prior to contributions being made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;
 - (d) Makes a recommendation regarding whether a candidate should be supported or opposed prior to a contribution being made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or
 - (e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.
 - (36) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.
- 37 (37) "Person in interest" means the person who is the subject of a

record or any representative designated by that person, except that if that person is under a legal disability, the term "person in interest" means and includes the parent or duly appointed legal representative.

- (38) "Persuasive poll" or "push poll" means in-person or automated telephone calls to voters that:
- (a) Canvass persons by means other than an established method of scientific sampling;
- (b) Ask questions or provide other information in a manner designed to appeal, directly or indirectly, for votes or for financial or other support or opposition in any election campaign for any state, local, or judicial office, or ballot proposition; and
- 12 <u>(c) Are conducted in such a manner as to masquerade as a scientific</u>
 13 survey or poll.
 - (39) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.
 - (((39))) (40) "Political committee" means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.
 - ((40))) (41) "Primary" for the purposes of RCW 42.17.640 means the procedure for nominating a candidate to state office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.
 - $((\frac{41}{1}))$ $\underline{(42)}$ "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.
 - ((\(\frac{(42)}{)}\)) (43) "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. For the office of the secretary of the senate and the office of the chief clerk of the house of representatives, public records means legislative records as defined in RCW 40.14.100 and also

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means the following: All budget and financial records; personnel leave, travel, and payroll records; records of legislative sessions; reports submitted to the legislature; and any other record designated a public record by any official action of the senate or the house of representatives.

- ((43))) (44) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.
- ((44))) <u>(45)</u> "Sponsor of an electioneering communications, independent expenditures, or political advertising" means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.
- $((\frac{45}{}))$ $\underline{(46)}$ "State legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.
 - ((46)) (47) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.
- $((\frac{47}{1}))$ (48) "State official" means a person who holds a state office.
 - ((\(\frac{48}{18}\))) (\(\frac{49}{19}\)] "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate prior to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts when it makes its final report under RCW 42.17.065.
 - ((49))) <u>(50)</u> "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation, including, but not limited to, letters, words, pictures, sounds, or symbols, or combination thereof,

and all papers, maps, magnetic or paper tapes, photographic films and prints, motion picture, film and video recordings, magnetic or punched cards, discs, drums, diskettes, sound recordings, and other documents including existing data compilations from which information may be obtained or translated.

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As used in this chapter, the singular shall take the plural and any gender, the other, as the context requires.

- 8 **Sec. 3.** RCW 42.17.510 and 2010 c 204 s 505 are each amended to 9 read as follows:
- 10 (1) All written political advertising, whether relating 11 candidates or ballot propositions, shall include the sponsor's name and 12 address. All telephone political advertising of five hundred or more identical or substantially similar calls in the twelve-month period 13 prior to the election, whether relating to candidates or ballot 14 propositions, shall include the sponsor's name, city, and state clearly 15 spoken or recorded. All telephone political advertising conducted as 16 a persuasive poll, whether relating to candidates or ballot 17 18 propositions, shall include the sponsor's name, city, and state clearly spoken or recorded. This telephone sponsor information shall be 19 provided at the beginning of the call. All radio and television 20 21 political advertising, whether relating to candidates or ballot 22 propositions, shall include the sponsor's name. The use of an assumed 23 name for the sponsor of electioneering communications, independent 24 expenditures, or political advertising shall be unlawful. For partisan 25 office, if a candidate has expressed a party or independent preference 26 on the declaration of candidacy, that party or independent designation 27 shall be clearly identified in electioneering communications, independent expenditures, or political advertising. 28
 - (2) In addition to the information required by subsection (1) of this section, except as specifically addressed in subsections (4) and (5) of this section, all political advertising undertaken as an independent expenditure or an electioneering communication by a person or entity other than a bona fide political party must include as part of the communication:
- 35 (a) The statement: "No candidate authorized this ad. It is paid for by (name, address, city, state)";

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(b) If the sponsor is a political committee, the statement: "Top Five Contributors," followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period before the date of the advertisement or communication; and

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- (c) If the sponsor is a political committee established, maintained, or controlled directly, or indirectly through the formation of one or more political committees, by an individual, corporation, union, association, or other entity, the full name of that individual or entity.
- (3) The information required by subsections (1) and (2) of this section shall:
- (a) Appear on the first page or fold of the written advertisement or communication in at least ten-point type, or in type at least ten percent of the largest size type used in a written advertisement or communication directed at more than one voter, such as a billboard or poster, whichever is larger;
 - (b) Not be subject to the half-tone or screening process; and
 - (c) Be set apart from any other printed matter.
- (4) In an independent expenditure or electioneering communication transmitted via television or other medium that includes a visual image, the following statement must either be clearly spoken, or appear in print and be visible for at least four seconds, appear in letters greater than four percent of the visual screen height, and have a reasonable color contrast with the background: "No candidate authorized this ad. Paid for by (name, city, state)." advertisement or communication is undertaken by a nonindividual other than a party organization, then the following notation must also be included: "Top Five Contributors" followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period before the date of the advertisement. Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.
- (5) The following statement shall be clearly spoken in an independent expenditure or electioneering communication transmitted by a method that does not include a visual image: "No candidate

authorized this ad. Paid for by (name, city, state)." 1 2 independent expenditure or electioneering communication is undertaken by a nonindividual other than a party organization, then the following 3 4 statement must also be included: "Top Five Contributors" followed by a listing of the names of the five persons or entities making the 5 6 largest contributions in excess of seven hundred dollars reportable 7 under this chapter during the twelve-month period before the date of 8 the advertisement. Abbreviations may be used to describe contributing 9 entities if the full name of the entity has been clearly spoken 10 previously during the broadcast advertisement.

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- (6) Political yard signs are exempt from the requirement of subsections (1) and (2) of this section that the name and address of the sponsor of political advertising be listed on the advertising. In addition, the public disclosure commission shall, by rule, exempt from the identification requirements of subsections (1) and (2) of this section forms of political advertising such as campaign buttons, balloons, pens, pencils, sky-writing, inscriptions, and other forms of advertising where identification is impractical.
- 19 (7) For the purposes of this section, "yard sign" means any outdoor 20 sign with dimensions no greater than eight feet by four feet.
- 21 Sec. 4. RCW 42.17A.005 and 2010 c 204 s 101 are each reenacted and 22 amended to read as follows:
 - The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 25 (1) "Actual malice" means to act with knowledge of falsity or with 26 reckless disregard as to truth or falsity.
 - (2) "Agency" includes all state agencies and all local agencies. "State agency" includes every state office, department, division, bureau, board, commission, or other state agency. "Local agency" includes every county, city, town, municipal corporation, quasimunicipal corporation, or special purpose district, or any office, department, division, bureau, board, commission, or agency thereof, or other local public agency.
 - (3) "Authorized committee" means the political committee authorized by a candidate, or by the public official against whom recall charges have been filed, to accept contributions or make expenditures on behalf of the candidate or public official.

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- (4) "Ballot proposition" means any "measure" as defined by RCW 29A.04.091, or any initiative, recall, or referendum proposition proposed to be submitted to the voters of the state or any municipal corporation, political subdivision, or other voting constituency from and after the time when the proposition has been initially filed with the appropriate election officer of that constituency before its circulation for signatures.
 - (5) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.
 - (6) "Bona fide political party" means:

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- (a) An organization that has been recognized as a minor political 13 party by the secretary of state;
 - (b) The governing body of the state organization of a major political party, as defined in RCW 29A.04.086, that is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or
 - (c) The county central committee or legislative district committee of a major political party. There may be only one legislative district committee for each party in each legislative district.
 - (7) "Candidate" means any individual who seeks nomination for election or election to public office. An individual seeks nomination or election when he or she first:
 - (a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office;
 - (b) Announces publicly or files for office;
- 27 (c) Purchases commercial advertising space or broadcast time to 28 promote his or her candidacy; or
 - (d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (a) or (c) of this subsection.
 - (8) "Caucus political committee" means a political committee organized and maintained by the members of a major political party in the state senate or state house of representatives.
 - (9) "Commercial advertiser" means any person who sells the service of communicating messages or producing printed material for broadcast or distribution to the general public or segments of the general public whether through the use of newspapers, magazines, television and radio

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- stations, billboard companies, direct mail advertising companies, printing companies, or otherwise.
- 3 (10) "Commission" means the agency established under RCW 42.17A.100.
- 5 (11) "Compensation" unless the context requires a narrower meaning,
 6 includes payment in any form for real or personal property or services
 7 of any kind. For the purpose of compliance with RCW 42.17A.710,
 8 "compensation" does not include per diem allowances or other payments
 9 made by a governmental entity to reimburse a public official for
 10 expenses incurred while the official is engaged in the official
 11 business of the governmental entity.
- 12 (12) "Continuing political committee" means a political committee 13 that is an organization of continuing existence not established in 14 anticipation of any particular election campaign.
 - (13)(a) "Contribution" includes:

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- (i) A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
- (ii) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, the person or persons named on the candidate's or committee's registration form who direct expenditures on behalf of the candidate or committee, or their agents;
- (iii) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising or electioneering communication prepared by a candidate, a political committee, or its authorized agent;
- 30 (iv) Sums paid for tickets to fund-raising events such as dinners 31 and parties, except for the actual cost of the consumables furnished at 32 the event.
 - (b) "Contribution" does not include:
- (i) Standard interest on money deposited in a political committee's account;
 - (ii) Ordinary home hospitality;
- 37 (iii) A contribution received by a candidate or political committee

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that is returned to the contributor within five business days of the date on which it is received by the candidate or political committee;

- (iv) A news item, feature, commentary, or editorial in a regularly scheduled news medium that is of primary interest to the general public, that is in a news medium controlled by a person whose business is that news medium, and that is not controlled by a candidate or a political committee;
- (v) An internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;
- (vi) 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 subsection, means services or labor for which the individual is not compensated by any person;
- (vii) Messages in the form of reader boards, banners, or yard or window signs displayed on a person's own property or property occupied by a person. However, a facility used for such political advertising for which a rental charge is normally made must be reported as an inkind contribution and counts towards any applicable contribution limit of the person providing the facility;
 - (viii) Legal or accounting services rendered to or on behalf of:
- (A) A political party or caucus political committee if the person paying for the services is the regular employer of the person rendering such services; or
- (B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws; or
- (ix) The performance of ministerial functions by a person on behalf of two or more candidates or political committees either as volunteer services defined in (b)(vi) of this subsection or for payment by the candidate or political committee for whom the services are performed as long as:
 - (A) The person performs solely ministerial functions;

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

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

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

- (c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution. Services or property or rights furnished at less than their fair market value for the purpose of assisting any candidate or political committee are deemed a contribution. Such a contribution must be reported as an in-kind contribution at its fair market value and counts towards any applicable contribution limit of the provider.
- (14) "Depository" means a bank, mutual savings bank, savings and loan association, or credit union doing business in this state.
- (15) "Elected official" means any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office.
- (16) "Election" includes any primary, general, or special election for public office and any election in which a ballot proposition is submitted to the voters. An election in which the qualifications for voting include other than those requirements set forth in Article VI, section 1 (Amendment 63) of the Constitution of the state of Washington shall not be considered an election for purposes of this chapter.
- (17) "Election campaign" means any campaign in support of or in opposition to a candidate for election to public office and any campaign in support of, or in opposition to, a ballot proposition.
- (18) "Election cycle" means the period beginning on the first day of January after the date of the last previous general election for the

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- office that the candidate seeks and ending on December 31st after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period beginning on the day the vacancy occurs and ending on December 31st after the special election.
 - (19) "Electioneering communication" means any broadcast, cable, or satellite television or radio transmission, United States postal service mailing, billboard, newspaper, or periodical that:
 - (a) Clearly identifies a candidate for a state, local, or judicial office either by specifically naming the candidate, or identifying the candidate without using the candidate's name;
 - (b) Is broadcast, transmitted, mailed, erected, distributed, or otherwise published within sixty days before any election for that office in the jurisdiction in which the candidate is seeking election; and
 - (c) Either alone, or in combination with one or more communications identifying the candidate by the same sponsor during the sixty days before an election, has a fair market value of five thousand dollars or more.
 - (20) "Electioneering communication" does not include:
 - (a) Usual and customary advertising of a business owned by a candidate, even if the candidate is mentioned in the advertising when the candidate has been regularly mentioned in that advertising appearing at least twelve months preceding his or her becoming a candidate;
 - (b) Advertising for candidate debates or forums when the advertising is paid for by or on behalf of the debate or forum sponsor, so long as two or more candidates for the same position have been invited to participate in the debate or forum;
- 30 (c) A news item, feature, commentary, or editorial in a regularly 31 scheduled news medium that is:
 - (i) Of primary interest to the general public;
- 33 (ii) In a news medium controlled by a person whose business is that news medium; and
- 35 (iii) Not a medium controlled by a candidate or a political 36 committee;
 - (d) Slate cards and sample ballots;

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- (e) Advertising for books, films, dissertations, or similar works
 written by a candidate when the candidate entered into a contract
 for such publications or media at least twelve months before becoming
 a candidate, or (ii) written about a candidate;
 - (f) Public service announcements;

- (g) A mailed internal political communication primarily limited to the members of or contributors to a political party organization or political committee, or to the officers, management staff, or stockholders of a corporation or similar enterprise, or to the members of a labor organization or other membership organization;
- (h) An expenditure by or contribution to the authorized committee of a candidate for state, local, or judicial office; or
- (i) Any other communication exempted by the commission through rule consistent with the intent of this chapter.
- (21) "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure. "Expenditure" also includes a promise to pay, a payment, or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. For the purposes of this chapter, agreements to make expenditures, contracts, and promises to pay may be reported as estimated obligations until actual payment is made. "Expenditure" shall not include the partial or complete repayment by a candidate or political committee of the principal of a loan, the receipt of which loan has been properly reported.
- 29 (22) "Final report" means the report described as a final report in 30 RCW 42.17A.235(2).
- 31 (23) "General election" for the purposes of RCW 42.17A.405 means 32 the election that results in the election of a person to a state or 33 local office. It does not include a primary.
 - (24) "Gift" has the definition in RCW 42.52.010.
 - (25) "Immediate family" includes the spouse or domestic partner, dependent children, and other dependent relatives, if living in the household. For the purposes of the definition of "intermediary" in this section, "immediate family" means an individual's spouse or

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- 1 domestic partner, and child, stepchild, grandchild, parent, stepparent,
- 2 grandparent, brother, half brother, sister, or half sister of the
- 3 individual and the spouse or the domestic partner of any such person
- 4 and a child, stepchild, grandchild, parent, stepparent, grandparent,
- 5 brother, half brother, sister, or half sister of the individual's
- 6 spouse or domestic partner and the spouse or the domestic partner of
- 7 any such person.

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- 8 (26) "Incumbent" means a person who is in present possession of an elected office.
 - (27) "Independent expenditure" means an expenditure that has each of the following elements:
 - (a) It is made in support of or in opposition to a candidate for office by a person who is not (i) a candidate for that office, (ii) an authorized committee of that candidate for that office, (iii) a person who has received the candidate's encouragement or approval to make the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office, or (iv) a person with whom the candidate has collaborated for the purpose of making the expenditure, if the expenditure pays in whole or in part for political advertising supporting that candidate or promoting the defeat of any other candidate or candidates for that office;
 - (b) The expenditure pays in whole or in part for political advertising that either specifically names the candidate supported or opposed, or clearly and beyond any doubt identifies the candidate without using the candidate's name; and
 - (c) The expenditure, alone or in conjunction with another expenditure or other expenditures of the same person in support of or opposition to that candidate, has a value of eight hundred dollars or more. A series of expenditures, each of which is under eight hundred dollars, constitutes one independent expenditure if their cumulative value is eight hundred dollars or more.
 - (28)(a) "Intermediary" means an individual who transmits a contribution to a candidate or committee from another person unless the contribution is from the individual's employer, immediate family, or an association to which the individual belongs.
- 37 (b) A treasurer or a candidate is not an intermediary for purposes 38 of the committee that the treasurer or candidate serves.

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

- (d) A volunteer hosting a fund-raising event at the individual's home is not an intermediary for purposes of that event.
- (29) "Legislation" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.
- (30) "Legislative office" means the office of a member of the state house of representatives or the office of a member of the state senate.
- (31) "Lobby" and "lobbying" each mean attempting to influence the passage or defeat of any legislation by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other legislative enactment of any state agency under the state administrative procedure act, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.
- 21 (32) "Lobbyist" includes any person who lobbies either in his or 22 her own or another's behalf.
 - (33) "Lobbyist's employer" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.
 - (34) "Ministerial functions" means an act or duty carried out as part of the duties of an administrative office without exercise of personal judgment or discretion.
- 29 (35) "Participate" means that, with respect to a particular 30 election, an entity:
 - (a) Makes either a monetary or in-kind contribution to a candidate;
 - (b) Makes an independent expenditure or electioneering communication in support of or opposition to a candidate;
 - (c) Endorses a candidate before contributions are made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent;
 - (d) Makes a recommendation regarding whether a candidate should be

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supported or opposed before a contribution is made by a subsidiary corporation or local unit with respect to that candidate or that candidate's opponent; or

- (e) Directly or indirectly collaborates or consults with a subsidiary corporation or local unit on matters relating to the support of or opposition to a candidate, including, but not limited to, the amount of a contribution, when a contribution should be given, and what assistance, services or independent expenditures, or electioneering communications, if any, will be made or should be made in support of or opposition to a candidate.
- (36) "Person" includes an individual, partnership, joint venture, public or private corporation, association, federal, state, or local governmental entity or agency however constituted, candidate, committee, political committee, political party, executive committee thereof, or any other organization or group of persons, however organized.
- 17 (37) "Persuasive poll" or "push poll" means in-person or automated
 18 telephone calls to voters that:
 - (a) Canvass persons by means other than an established method of scientific sampling;
 - (b) Ask questions or provide other information in a manner designed to appeal, directly or indirectly, for votes or for financial or other support or opposition in any election campaign for any state, local, or judicial office, or ballot proposition; and
 - (c) Are conducted in such a manner as to masquerade as a scientific survey or poll.
 - (38) "Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support or opposition in any election campaign.
- (((38))) (39) "Political committee" means any person (except a candidate or an individual dealing with his or her own funds or property) having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

 $((\frac{39}{10}))$ $(\frac{40}{10})$ "Primary" for the purposes of RCW 42.17A.405 means the procedure for nominating a candidate to state or local office under chapter 29A.52 RCW or any other primary for an election that uses, in large measure, the procedures established in chapter 29A.52 RCW.

((40))) <u>(41)</u> "Public office" means any federal, state, judicial, county, city, town, school district, port district, special district, or other state political subdivision elective office.

(((41))) (42) "Public record" has the definition in RCW 42.56.010.

- ((42))) (43) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29A.56.120 and ending thirty days after the recall election.
- ((43)) (44) "Sponsor of an electioneering communications, independent expenditures, or political advertising" means the person paying for the electioneering communication, independent expenditure, or political advertising. If a person acts as an agent for another or is reimbursed by another for the payment, the original source of the payment is the sponsor.
- ((44))) (45) "State office" means state legislative office or the office of governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, superintendent of public instruction, state auditor, or state treasurer.
- $((\frac{45}{}))$ (46) "State official" means a person who holds a state office.
 - ((\(\frac{46}\))) (47) "Surplus funds" mean, in the case of a political committee or candidate, the balance of contributions that remain in the possession or control of that committee or candidate subsequent to the election for which the contributions were received, and that are in excess of the amount necessary to pay remaining debts incurred by the committee or candidate with respect to that election. In the case of a continuing political committee, "surplus funds" mean those contributions remaining in the possession or control of the committee that are in excess of the amount necessary to pay all remaining debts when it makes its final report under RCW 42.17A.255.
 - ((47))) <u>(48)</u> "Treasurer" and "deputy treasurer" mean the individuals appointed by a candidate or political committee, pursuant to RCW 42.17A.210, to perform the duties specified in that section.

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- 1 **Sec. 5.** RCW 42.17A.320 and 2010 c 204 s 505 are each amended to read as follows:
- written political advertising, whether relating 3 (1) All 4 candidates or ballot propositions, shall include the sponsor's name and address. All telephone political advertising of five hundred or more 5 6 identical or substantially similar calls in the twelve-month period prior to the election, whether relating to candidates or ballot 7 propositions, shall include the sponsor's name, city, and state clearly 8 9 spoken or recorded. All telephone political advertising conducted as a persuasive poll, whether relating to candidates or ballot 10 11 propositions, shall include the sponsor's name, city, and state clearly spoken or recorded. This telephone sponsor information shall be 12 provided at the beginning of the call. All radio and television 13 political advertising, whether relating to candidates or ballot 14 propositions, shall include the sponsor's name. The use of an assumed 15 name for the sponsor of electioneering communications, independent 16 expenditures, or political advertising shall be unlawful. For partisan 17 18 office, if a candidate has expressed a party or independent preference 19 on the declaration of candidacy, that party or independent designation 20 shall clearly identified in electioneering communications, be 21 independent expenditures, or political advertising.
 - (2) In addition to the information required by subsection (1) of this section, except as specifically addressed in subsections (4) and (5) of this section, all political advertising undertaken as an independent expenditure or an electioneering communication by a person or entity other than a bona fide political party must include as part of the communication:
 - (a) The statement: "No candidate authorized this ad. It is paid for by (name, address, city, state)";
 - (b) If the sponsor is a political committee, the statement: "Top Five Contributors," followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period before the date of the advertisement or communication; and
- 35 (c) If the sponsor is a political committee established, 36 maintained, or controlled directly, or indirectly through the formation 37 of one or more political committees, by an individual, corporation,

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union, association, or other entity, the full name of that individual or entity.

- (3) The information required by subsections (1) and (2) of this section shall:
- (a) Appear on the first page or fold of the written advertisement or communication in at least ten-point type, or in type at least ten percent of the largest size type used in a written advertisement or communication directed at more than one voter, such as a billboard or poster, whichever is larger;
 - (b) Not be subject to the half-tone or screening process; and
 - (c) Be set apart from any other printed matter.

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- (4) In an independent expenditure or electioneering communication transmitted via television or other medium that includes a visual image, the following statement must either be clearly spoken, or appear in print and be visible for at least four seconds, appear in letters greater than four percent of the visual screen height, and have a reasonable color contrast with the background: Paid for by (name, city, state)." authorized this ad. If the advertisement or communication is undertaken by a nonindividual other than a party organization, then the following notation must also be included: "Top Five Contributors" followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during twelve-month period before the date of the advertisement. Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.
- (5) The following statement shall be clearly spoken in an independent expenditure or electioneering communication transmitted by a method that does not include a visual image: "No candidate authorized this ad. Paid for by (name, city, state)." If the independent expenditure or electioneering communication is undertaken by a nonindividual other than a party organization, then the following statement must also be included: "Top Five Contributors" followed by a listing of the names of the five persons or entities making the largest contributions in excess of seven hundred dollars reportable under this chapter during the twelve-month period before the date of

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- the advertisement. Abbreviations may be used to describe contributing entities if the full name of the entity has been clearly spoken previously during the broadcast advertisement.
- 4 (6) Political yard signs are exempt from the requirement subsections (1) and (2) of this section that the name and address of 5 the sponsor of political advertising be listed on the advertising. 6 7 addition, the public disclosure commission shall, by rule, exempt from the identification requirements of subsections (1) and (2) of this 8 section forms of political advertising such as campaign buttons, 9 10 balloons, pens, pencils, sky-writing, inscriptions, and other forms of advertising where identification is impractical. 11
- 12 (7) For the purposes of this section, "yard sign" means any outdoor 13 sign with dimensions no greater than eight feet by four feet.
- NEW SECTION. Sec. 6. Sections 4 and 5 of this act take effect 15 January 1, 2012.
- NEW SECTION. Sec. 7. Sections 2 and 3 of this act expire January 1, 2012.

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