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**HOUSE BILL 1755**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By Representative Farivar**

1 AN ACT Relating to establishing the democracy voucher program for  
2 contributions to state legislative candidates; amending RCW  
3 42.17A.430, 42.17A.470, and 42.17A.785; adding new sections to  
4 chapter 42.17A RCW; and prescribing penalties.

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

6 NEW SECTION. **Sec. 1.** (1) The democracy voucher program is  
7 hereby established within the commission.

8 (2) The purposes of the program are to:

9 (a) Promote broad, diverse, fair, and undistorted citizen  
10 influence and participation in electoral politics;

11 (b) Encourage citizens with meaningful voter support to run for  
12 office, and facilitate the process by which they connect with voters;

13 (c) Minimize the perception of corruption in government;

14 (d) Better inform the public about candidates running for office;  
15 and

16 (e) Promote meaningful and open discussion of political issues in  
17 the context of electoral politics.

18 (3) The commission shall seek to further these purposes whenever  
19 it enacts rules to govern the program pursuant to the authority  
20 granted in this chapter.

1        NEW SECTION.    **Sec. 2.**    The definitions in this section apply  
2 throughout this subchapter unless the context clearly requires  
3 otherwise.

4        (1) "Contribution period" means the period of time, to be  
5 determined by the commission by rule, during which an eligible  
6 individual may make a democracy voucher contribution for a given  
7 election year. Unless the commission determines otherwise, the  
8 contribution period shall begin on April 1st of the relevant election  
9 year.

10       (2) "Democracy voucher contribution" means a campaign  
11 contribution made by an eligible individual from the program fund to  
12 a qualified state candidate, pursuant to the rules of the program.

13       (3) "Eligible individual" means an individual properly registered  
14 to vote in the state, or an individual otherwise eligible to make  
15 campaign contributions.

16       (4) "Program" means the democracy voucher program.

17       (5) "Program fund" or "program funds" means the funds of the  
18 commission that the commission has allocated to the democracy voucher  
19 program specifically for use as democracy voucher contributions.

20       (6) "Qualified state candidate" means a candidate for state  
21 legislative office whose status as a candidate eligible to receive  
22 democracy voucher contributions has been certified by the commission.

23       (7) "Qualifying contribution" means a contribution to a candidate  
24 that is not, in the aggregate from any contributor, in excess of 50  
25 percent of any applicable contribution limit under state law, other  
26 than limits on contributions from bona fide political parties or  
27 caucus political committees, or that is not, in the aggregate from  
28 any contributor, in excess of an alternative amount set by rule that  
29 the commission determines is necessary to promote the purposes of the  
30 program.

31       NEW SECTION.    **Sec. 3.**    (1) For elections in even-numbered years,  
32 the commission shall, at least 10 business days before the beginning  
33 of the contribution period, send by postal mail to each eligible  
34 individual, using the address specified on the individual's voter  
35 registration or verification materials, personalized materials for  
36 the program. Thereafter, until one week before the general election  
37 of that year, unless no program funds remain available for democracy  
38 voucher contributions, the commission shall send personalized  
39 materials to each individual who becomes an eligible individual,

1 within 10 business days of the individual obtaining status as an  
2 eligible individual.

3 (2) The personalized materials sent to each eligible individual  
4 must:

5 (a) Be addressed to the name of the eligible individual;

6 (b) Be sent in an official commission envelope;

7 (c) Provide information about the purposes and workings of the  
8 program, instructions on how to access the section of the  
9 commission's website where complete information about the program can  
10 be found, and the telephone number for the commission's program  
11 assistance hotline or other similar means for contacting the  
12 commission for assistance;

13 (d) Clearly inform the recipient of the program's rules and  
14 penalties;

15 (e) Provide a unique and nonsequential pin code, or equivalently  
16 secure verification credential, for each of the democracy voucher  
17 contributions that the eligible individual may make during the  
18 contribution period; and

19 (f) Provide instructions for how to make a democracy voucher  
20 contribution.

21 (3) The secretary of state's office and all county elections  
22 departments shall work closely with the commission and any involved  
23 contractors to ensure that the commission has access to continuously  
24 accurate voter registration information.

25 NEW SECTION. **Sec. 4.** (1) For elections in each even-numbered  
26 year, each eligible individual is authorized to make up to four  
27 democracy voucher contributions during the contribution period,  
28 subject to the availability of program funds. The amount of each  
29 democracy voucher contribution is \$25, subject to adjustment by the  
30 commission as provided under this subsection. The commission shall  
31 set the contribution period by rule to promote ease of program  
32 administration and to promote the purposes of the program under  
33 section 1 of this act. The commission may also adjust the number of  
34 authorized democracy voucher contributions and the contribution  
35 amount, including setting different amounts by office, if necessary  
36 to promote program participation by candidates or eligible  
37 individuals, or if necessary to incentivize candidates to spend  
38 significant time appealing to eligible individuals. In making such  
39 adjustments, the commission must consider the historical costs of

1 running viable campaigns, the anticipated availability of program  
2 funds, and the anticipated number of qualified state candidates.

3 (2) A democracy voucher contribution shall be treated as a  
4 contribution made by the eligible individual. The value of a  
5 democracy voucher contribution is not income or a monetary asset of  
6 the eligible individual. A person may not transfer to another person  
7 the ability to make a democracy voucher contribution or the  
8 verification credentials required to make a democracy voucher  
9 contribution. Except as required to make a reasonable accommodation  
10 for a disability or as otherwise allowed by law, a democracy voucher  
11 contribution may not be authorized by proxy, power of attorney, or  
12 agent. Any county elections department shall provide assistance in  
13 making democracy voucher contributions to eligible individuals who  
14 visit the department.

15 (3) To make a democracy voucher contribution, an eligible  
16 individual must, using the electronic authorization system developed  
17 by the commission under section 7 of this act, attest to  
18 understanding the rules and penalties of the program and provide the  
19 following information:

20 (a) Personal identifying information, as required by the  
21 commission by rule to ensure accuracy and prevent fraud and abuse,  
22 which unless determined otherwise by the commission must include the  
23 name and residential or mailing address as recorded in the eligible  
24 individual's voter registration or verification materials, date of  
25 birth, and whichever of the following the individual used to register  
26 to vote in the state or to be verified as an eligible individual:  
27 Social security number or Washington driver's license, permit, or  
28 identicard number;

29 (b) The unique pin code or equivalently secure verification  
30 credential provided by the commission for the democracy voucher  
31 contribution to be made; and

32 (c) The identity of the qualified state candidate to whom the  
33 eligible individual wishes to make the democracy voucher  
34 contribution.

35 (4) As necessary to promote the purposes of the program under  
36 section 1 of this act, the commission may allow eligible individuals  
37 to request and receive from the commission a paper form that may be  
38 used, as an alternative to the electronic process detailed under  
39 subsection (3) of this section, to make a democracy voucher

1 contribution. Before the implementation of any such forms, the  
2 commission must develop rules to govern their use.

3 (5) Upon receiving the information required for a democracy  
4 voucher contribution, and upon confirming that the provided  
5 information is valid, that sufficient program funds are available,  
6 and that the contemplated contribution is permitted, the commission  
7 shall transfer the democracy voucher contribution from the program  
8 fund to the candidate committee of the qualified state candidate  
9 chosen by the eligible individual. The commission may set by rule a  
10 minimum number of days that must elapse before the contribution is  
11 transferred from the program fund, as necessary to prevent mistake,  
12 fraud, and abuse.

13 (6) A candidate committee may reject a democracy voucher  
14 contribution. The commission shall notify any eligible individual  
15 whose democracy voucher contribution has been rejected and reissue  
16 the information and verification credentials necessary to allow that  
17 individual to make that democracy voucher contribution to another  
18 qualified state candidate.

19 (7) The commission shall, using the information available to it  
20 and to the extent practicable, minimize any administrative burdens on  
21 candidate committees resulting from the application of general  
22 reporting requirements to democracy voucher contributions.

23 NEW SECTION. **Sec. 5.** (1) To become a qualified state candidate,  
24 a candidate must submit, within a period to be determined by the  
25 commission by rule, a registration form to be developed by the  
26 commission. The form must be signed by the candidate and any  
27 treasurer for the candidate's campaign committee. To be certified by  
28 the commission as a qualified state candidate, the candidate seeking  
29 registration must:

30 (a) Indicate willingness to receive democracy voucher  
31 contributions and an understanding and acceptance of program rules  
32 and penalties;

33 (b) Demonstrate collection of at least 150 qualifying  
34 contributions from unique natural persons residing in the legislative  
35 district of the seat being sought, of at least \$10 each, during a  
36 period to be determined by the commission by rule; and

37 (c) Attest that the candidate:

38 (i) Will not use personal funds in connection with the  
39 candidate's election in excess of applicable program limits;

1 (ii) Will not solicit, accept, direct, or otherwise coordinate  
2 receipt or spending of funds in connection with the candidate's  
3 election other than personal funds in accordance with (c)(i) of this  
4 subsection, democracy voucher contributions, and qualifying  
5 contributions, except at times when the candidate would be eligible  
6 for democracy voucher contributions but no program funds are  
7 available for that purpose;

8 (iii) Will not solicit, accept, direct, or otherwise coordinate  
9 receipt or spending of funds, other than democracy voucher  
10 contributions and qualifying contributions, in connection with any  
11 other election;

12 (iv) Has not at the time of submitting the statement accepted or  
13 spent funds in connection with the candidate's election other than  
14 personal funds in accordance with (c)(i) of this subsection and  
15 qualifying contributions, or has: (A) Been reimbursed any amount of  
16 personal funds spent in excess of the limits in (c)(i) of this  
17 subsection, and (B) refunded any amounts received in excess of the  
18 limits on qualifying contributions to each original contributor or,  
19 to the extent refunding to the original contributor is not possible,  
20 then to the program fund;

21 (v) Will not make contributions to another political committee  
22 using funds received as democracy voucher contributions;

23 (vi) Will promptly make available to the commission at any time  
24 the books of account associated with the campaign; and

25 (vii) Will abide by any additional requirements that the  
26 commission has set by rule, which the commission shall adopt as  
27 needed to prevent circumvention and otherwise promote the purposes of  
28 the program under section 1 of this act.

29 (2) Once the filing period set forth in RCW 29A.24.050 ends, a  
30 candidate may not become or remain a qualified state candidate unless  
31 he or she has properly filed a declaration of candidacy pursuant to  
32 chapter 29A.24 RCW.

33 (3) A qualified state candidate running for state legislative  
34 office may not use personal funds exceeding \$5,000 in the aggregate  
35 for campaign purposes. The commission shall determine a limit on the  
36 use of personal funds for all other state candidates by office, in  
37 amounts that account for the reasonable costs of starting a viable  
38 campaign while promoting campaigns that are based on widespread  
39 underlying community support. The commission may adjust these limits  
40 over time, including for legislative office, based on changed

1 circumstances that make such adjustment necessary to account for  
2 campaign start-up costs or to promote campaigns based on widespread  
3 underlying community support.

4 (4) The commission may adjust the number of qualifying  
5 contributions required to become a qualified state candidate over  
6 time based on changed circumstances that make such adjustment  
7 necessary to promote program participation, prevent fraud, prevent  
8 waste of public funds, or otherwise promote the purposes of the  
9 program.

10 (5) If the commission receives a valid registration form from a  
11 state candidate, it shall verify the submitted information and, if  
12 all required information has been received and verified, shall  
13 certify the candidate's registration as a qualified state candidate  
14 who may receive democracy voucher contributions during the  
15 contribution period in accordance with program rules. The commission  
16 shall then promptly update all online materials to reflect this  
17 change in status.

18 (6) A qualified state candidate is eligible to receive no more  
19 than \$100,000 in the aggregate in democracy voucher contributions for  
20 a single election year. The commission may adjust this limit over  
21 time based on changed circumstances that make such adjustment  
22 necessary to promote program participation or to promote the  
23 equitable availability of program funds among qualified state  
24 candidates.

25 (7)(a) A qualified state candidate may use democracy voucher  
26 contribution proceeds only:

27 (i) For campaign costs or campaign debts for the relevant  
28 election; and

29 (ii) During the election cycle and, as set by commission rule,  
30 for a reasonable period following the election.

31 (b) A qualified state candidate may not use democracy voucher  
32 contribution proceeds to pay:

33 (i) The candidate or candidate's immediate family member, except  
34 to reimburse for actual out-of-pocket campaign expenses;

35 (ii) Any entity in which the candidate or an immediate family  
36 member holds in aggregate a 10 percent or greater ownership interest;

37 (iii) Any amount over fair market value for any services, goods,  
38 facilities, or things of value;

39 (iv) Any penalty or fine; or

40 (v) Any postelection officeholder costs.

1 (8) A candidate loses status as a qualified state candidate by  
2 publicly announcing withdrawal, abandoning the race, losing a primary  
3 election, losing or winning a general election, or becoming  
4 ineligible for the office sought, if the commission finds the  
5 candidate has recklessly or intentionally committed a material  
6 violation of election laws or program requirements, or if the  
7 candidate is otherwise disqualified for violating this chapter  
8 pursuant to rules set by the commission. A candidate who loses status  
9 as a qualified state candidate shall, within a reasonable period as  
10 set by commission rule, pay all debts and obligations, account to the  
11 commission, and remit to the program fund a certain percentage of  
12 remaining funds, equal to the percentage of the total amount in  
13 contributions the candidate received that came from democracy voucher  
14 contributions. If the commission at any time rescinds qualified state  
15 candidate status based on a violation of program requirements, the  
16 candidate shall also pay a penalty to the program fund to be set by  
17 the commission by rule.

18 NEW SECTION. **Sec. 6.** A person who knowingly offers to make a  
19 democracy voucher contribution in exchange for cash or any other  
20 consideration, or who knowingly offers to buy or sell a democracy  
21 voucher contribution, the ability to make a democracy voucher  
22 contribution, or personalized information contained in program  
23 materials is guilty of a gross misdemeanor.

24 NEW SECTION. **Sec. 7.** (1) The commission shall contract for the  
25 development and management of a private and secure electronic system  
26 that controls and administers all technical aspects of the program,  
27 as well as a public online portal, accessible by normal and secure  
28 means, such as by common internet browsers on computers and mobile  
29 phones or other common devices with internet access, through which  
30 eligible individuals may make democracy voucher contributions. When  
31 awarding such a contract, the commission shall give preference to any  
32 contractor with demonstrated experience and success in developing  
33 technologies similar to those being contracted for. No contractor,  
34 subcontractor, or associated entity may sell, license, or otherwise  
35 distribute data, metadata, or any information acquired through these  
36 contracts to any entity other than the commission, the public as  
37 required by this chapter, or entities approved by the commission.



1 (2) The commission shall implement the program on an ongoing  
2 basis, including by:

3 (a) Continuously managing the spending of all program funds with  
4 a goal of promoting the long-term success and sustainability of the  
5 program;

6 (b) Promoting awareness and understanding of the program with the  
7 goal of maximizing widespread and diverse citizen and candidate  
8 participation in the program;

9 (c) Supervising the management of the system and portal described  
10 in subsection (1) of this section;

11 (d) Maintaining a dedicated informational website for the  
12 program, designed to facilitate viewing on the full range of common  
13 screen sizes of internet devices, that educates the public about the  
14 program and program fund availability; provides an interactive,  
15 easily searchable and current list of qualified state candidates,  
16 sortable by name, office sought, and party; and provides an up-to-  
17 date and interactive system detailing information about the use and  
18 receipt of democracy voucher contributions in that election year, as  
19 well as the option to download without cost a bulk data file  
20 containing that information;

21 (e) Publishing appropriate guidebooks for candidates and eligible  
22 individuals, and translations of the informational website and key  
23 program materials into languages spoken by a significant number of  
24 state residents, as determined by the commission;

25 (f) Maintaining a program telephone hotline through which  
26 residents may receive information about the program, request  
27 assistance with program issues, and submit complaints about problems  
28 related to democracy voucher contributions or personalized materials;

29 (g) During each contribution period, auditing the books of  
30 account of at least two percent of qualified state candidates, to be  
31 chosen by random selection;

32 (h) Releasing a comprehensive report to the public every odd-  
33 numbered year detailing the status of the program and its use during  
34 the previous even-numbered election year; and

35 (i) Enforcing program requirements and investigating potential  
36 violations of such requirements, including by reviewing the books of  
37 account associated with the campaign of any qualified state candidate  
38 when appropriate.

39 (3) The commission shall adopt regulations to govern the program,  
40 designed to effectuate the provisions of sections 1 through 6 of this

1 act, prevent circumvention and fraud, promote accessibility and  
2 participation, address violations of program requirements, and  
3 otherwise promote the purposes of the program. The commission's  
4 regulations may include special civil penalties or other remedies for  
5 violations of program requirements.

6 (4) By December 1, 2025, the commission shall develop and adopt  
7 regulations to allow any adult natural person who is a bona fide  
8 resident of the state, not eligible to register to vote under state  
9 law, but eligible under state and federal law to donate to a  
10 candidate campaign, to request to be verified by the commission as an  
11 eligible individual for participation in the program in the year 2026  
12 and thereafter. The commission shall develop a process to reasonably  
13 ensure that an individual who no longer meets the requirements  
14 necessary to be an eligible individual does not make a democracy  
15 voucher contribution until the individual again meets such  
16 requirements.

17 NEW SECTION. **Sec. 8.** A candidate who received public funds from  
18 the democracy voucher program established under section 1 of this act  
19 must transfer to the commission a percentage of the candidate's  
20 surplus funds equal to the percentage of the total amount in  
21 contributions the candidate received that were public funds from the  
22 democracy voucher program. The commission shall adopt rules to  
23 implement this section.

24 NEW SECTION. **Sec. 9.** The provisions of this act are to be  
25 liberally construed to effectuate the policies and purposes of this  
26 act.

27 **Sec. 10.** RCW 42.17A.430 and 2010 c 204 s 606 are each amended to  
28 read as follows:

29 (1) The surplus funds of a candidate or a candidate's authorized  
30 committee may only be disposed of in any one or more of the following  
31 ways:

32 ~~((1))~~ (a) Return the surplus to a contributor in an amount not  
33 to exceed that contributor's original contribution;

34 ~~((2))~~ (b) Using surplus, reimburse the candidate for lost  
35 earnings incurred as a result of that candidate's election campaign.  
36 Lost earnings shall be verifiable as unpaid salary or, when the  
37 candidate is not salaried, as an amount not to exceed income received

1 by the candidate for services rendered during an appropriate,  
2 corresponding time period. All lost earnings incurred shall be  
3 documented and a record thereof shall be maintained by the candidate  
4 or the candidate's authorized committee. The committee shall maintain  
5 a copy of this record in accordance with RCW 42.17A.235(~~((6))~~) (7);

6 ~~((3))~~ (c) Transfer the surplus without limit to a political  
7 party or to a caucus political committee;

8 ~~((4))~~ (d) Donate the surplus to a charitable organization  
9 registered in accordance with chapter 19.09 RCW;

10 ~~((5))~~ (e) Transmit the surplus to the state treasurer for  
11 deposit in the general fund, the Washington state legacy project,  
12 state library, and archives account under RCW 43.07.380, or the  
13 legislative international trade account under RCW 43.15.050, as  
14 specified by the candidate or political committee; (~~(e~~

15 ~~+6))~~ (f) Hold the surplus in the depository or depositories  
16 designated in accordance with RCW 42.17A.215 for possible use in a  
17 future election campaign for the same office last sought by the  
18 candidate and report any such disposition in accordance with RCW  
19 42.17A.240. If the candidate subsequently announces or publicly files  
20 for office, the appropriate information must be reported to the  
21 commission in accordance with RCW 42.17A.205 through 42.17A.240. If a  
22 subsequent office is not sought the surplus held shall be disposed of  
23 in accordance with the requirements of this section(~~(-)~~); or

24 ~~((7))~~ (g) Hold the surplus campaign funds in a separate account  
25 for nonreimbursed public office-related expenses or as provided in  
26 this section, and report any such disposition in accordance with RCW  
27 42.17A.240. The separate account required under this subsection  
28 (1)(g) shall not be used for deposits of campaign funds that are not  
29 surplus.

30 ~~((8))~~ (2) No candidate or authorized committee may transfer  
31 funds to any other candidate or other political committee.

32 (3) The disposal of surplus funds under this section shall not be  
33 considered a contribution for purposes of this chapter.

34 (4) The surplus funds of a candidate receiving public funds from  
35 the democracy voucher program established under section 1 of this act  
36 must be disposed of in accordance with section 8 of this act.

37 **Sec. 11.** RCW 42.17A.470 and 1993 c 2 s 13 are each amended to  
38 read as follows:

1 (1) A person, other than an individual, may not be an  
2 intermediary or an agent for a contribution.

3 (2) An individual may not make a contribution on behalf of  
4 another person or entity, or while acting as the intermediary or  
5 agent of another person or entity, without disclosing to the  
6 recipient of the contribution both his or her full name, street  
7 address, occupation, name of employer, if any, or place of business  
8 if self-employed, and the same information for each contributor for  
9 whom the individual serves as intermediary or agent.

10 (3) In the democracy voucher program established under section 1  
11 of this act, the commission publicly administers contributions by  
12 eligible individuals, and is neither an intermediary nor an agent as  
13 those terms are used in this section.

14 **Sec. 12.** RCW 42.17A.785 and 2018 c 304 s 18 are each amended to  
15 read as follows:

16 The public disclosure transparency account is created in the  
17 state treasury. All receipts from penalties collected pursuant to  
18 enforcement actions or settlements under this chapter, including any  
19 fees or costs, must be deposited into the account. Moneys in the  
20 account may be spent only after appropriation. Moneys in the account  
21 may be used only for the implementation of chapter 304, Laws of 2018,  
22 the cost to the commission to administer the democracy voucher  
23 program established under section 1 of this act except that moneys in  
24 the account may not be used for the cost of democracy vouchers  
25 allocated to voters for the purpose of making democracy voucher  
26 contributions during the contribution period defined in section 2 of  
27 this act, and duties under this chapter(~~, and~~). Moneys in the  
28 account may not be used to supplant general fund appropriations to  
29 the commission.

30 NEW SECTION. **Sec. 13.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 14.**    Sections 1 through 9 of this act are each  
2    added to chapter 42.17A RCW and codified with the subchapter heading  
3    of "citizen financing of elections."

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