



INITIATIVE MEASURE 134

TO THE LEGISLATURE

Note: The ballot title and explanatory statement were written by the Attorney General as required by law. The complete text of Initiative Measure 134 begins on page 11.

Statement for

Ready for a shock? Here's three:

- Spending on political campaigns in Washington skyrocketed to an all-time high of \$12 million in 1990.
- That year, 20 percent of campaign contributions to statewide and legislative candidates came from individual citizens.
- Incredibly, 61 percent of that \$12 million was paid to politicians by political action committees, unions, corporations and other special interests.

Can we really expect our political candidates and public officials to put *our* interests ahead of the special interests when those big corporations, committees and unions can contribute \$10,000, \$20,000 - even \$50,000 at a time?

Initiative 134 will put the average voter on even ground with the special interests, by holding individuals, PAC's, unions and corporations to the same contribution limit: \$500 per legislative candidate per election (\$1,000 per candidate for statewide office). It would also restrict contributions from political parties and caucuses to candidates.

Initiative 134 will help clean up campaigns in Washington. The new law would prohibit political fund raising from 30 days before a legislative session until 30 days after it ends. It would ban the transfer of funds from one candidate to another and strictly limit taxpayer-financed mailings by incumbent legislators.

Importantly, Initiative 134 would reduce overall spending on political campaigns in Washington, while *prohibiting* the use of state tax dollars to fund political campaigns.

Vote for Initiative 134 and you'll help break the power of special interests - and put the elected officials of today and tomorrow back to work for the people of Washington.

Official Ballot Title:

Shall campaign contributions be limited; public funding of state and local campaigns be prohibited; and campaign related activities be restricted?

The law as it now exists:

State law does not limit the amounts which can be contributed to campaigns for statewide elected offices and legislative offices, except during the last 21 days of the general election campaign. Contributions are required to be reported to the Public Disclosure Commission. Elected officials and executive state officers must annually report to the Commission any gifts they received as well as any contributions made to their public office fund.

Rebuttal of Statement against

Don't be misled. I-134 impacts *all* sides. It *equally* limits contributions from PACs, unions and individuals to candidates from *both* political parties.

I-134 strictly prohibits public financing schemes which provide "incumbency insurance" and use tax dollars to help re-elect incumbent lawmakers.

I-134 is our *only* chance to limit campaign influence by special interests and make candidates more accountable to *the people*. I-134 is supported by 40+ independent organizations — and by more than 225,000 Washington citizens.

Voters Pamphlet Statement Prepared by:

MIKE WATTERS, President, Washington State Dairy Federation;
GARY SMITH, Executive Director, Independent Business Assoc.;
CAROLYN LOGUE, State Director, National Federation of Independent Business.

Some local governments have ordinances providing the availability of public funds for political campaigns for municipal offices.

The effect of Initiative Measure 134, if approved into law:

This initiative would establish maximums for permissible political contributions to campaigns for state legislative offices and the nine statewide elected officers (governor, lieutenant governor, secretary of state, attorney general, commissioner of public lands, insurance commissioner, treasurer, auditor and superintendent of public instruction). The maximum dollar amount an individual, corporation, pac or other group could make is a \$500 contribution to legislative campaigns and \$1,000 for campaigns for statewide offices. Those maximums would separately apply to the primary and general elections. Political parties and legislative caucuses are permitted to make larger contributions with a maximum of \$.50 times each registered voter within the election area.

Legislators, state officials or anyone acting on their behalf would be prohibited from soliciting campaign contributions during the period commencing thirty days before a regular session of the legislature, until thirty days after the adjournment of the regular session. Also, state officials would be prohibited from soliciting

political contributions from employees in the state official's agency.

Contributions would be prohibited from businesses not doing business in Washington and from unions having less than ten members in the state.

There would be restrictions on publicly funded, unsolicited mailings by legislators. Voluntary state payroll deductions for political committees would no longer be permitted and agency shop fees could not be used for political purposes without individual authorization. Campaign contributions could not be used to repay more than \$3,000 of a candidate's loans to the candidate's campaign.

Independent expenditure advertising would have to identify the top five contributors paying for the ad, and further disclosures to the Public Disclosure Commission would be required.

Elected officials and executive state officers would annually be required to file a statement describing any gifts received during the preceding year, but the annual reporting of public office funds would be repealed.

No public funds could be used to finance political campaigns for state or local offices.

The dollar amounts referred to in the initiative would be changed every two years by the Public Disclosure Commission to reflect changes in the inflation index. Penalties would be provided and other changes would be made.

Statement against

REAL CAMPAIGN FINANCE REFORM MUST LIMIT BOTH SPENDING AND CONTRIBUTIONS

- **Effective campaign reform must limit both campaign spending and contributions.** Congress has had contribution limits similar to those in I-134 for years and these limits have done nothing to prevent special interest scandals such as the S&L debacle.

- **Contributions limits alone are a sure-fire incumbent protection plan.** As long as the sky is the limit on spending, a challenger can never hope to keep pace with an incumbent's ability to raise political funds.

- **I-134 doesn't limit how much a candidate can spend on their own campaign**—wealthy individuals are free to spend as much as they like to "buy" an election.

REAL REFORM SHOULD AFFECT ALL POLITICAL PARTIES EQUALLY

- **I-134 is just more of the same old partisan politics.** GOP officials admit the initiative was drafted to favor Republicans. Independent analysis by the Seattle Post-Intelligencer shows that the proposal is specifically designed to hit Democratic candidates harder.

- **I-134 doesn't have grass-roots support.** The signatures that put I-134 on the ballot were not collected by citizen volunteers. Signatures for I-134 were bought and paid for with large contributions from big business interests and powerful politicians.

REAL REFORM SHOULD LIMIT THE INFLUENCE OF PACs

- **I-134 doesn't limit how much a candidate can take from**

PACs, it allows candidates to be 100% special-interest funded. Unless the influence of special interest PACs are limited, the views of the average person will be drowned out.

REAL REFORM SHOULD NOT REPEAL EFFECTIVE LOCAL REFORMS

- **I-134 repeals the popular and highly effective local campaign spending limit laws adopted by citizens in Seattle and King County.** These laws have been nationally acclaimed as models of effective reform.

Rebuttal of Statement for

DON'T BE FOOLED BY FALSE REFORM.

Passing I-134 won't hold down campaign spending or clean up campaigns, but it will relieve the pressure on politicians to accept *real* reform.

I-134 *claims* it will reduce campaign spending, but contribution limits alone have *never* succeeded in holding down campaign spending;

I-134 *claims* it will break the power of special interests, but is actually backed by those same special interests.

VOTE NO ON I-134, FALSE CAMPAIGN FINANCE REFORM.

Voters Pamphlet Statement Prepared by:

LORRAINE HINE, State Representative; MARGARET COLONY, President, League of Women Voters; JIM STREET, Seattle City Councilmember.

Advisory Committee: CAL ANDERSON, State Representative; LAWRENCE KENNEY, President, Washington State Labor Council; RICK BUNCH, Executive Director, WashPirg; DARLENE MADENWALD, President, Washington Environmental Council.



COMPLETE TEXT OF Initiative Measure 573 (con't.)

from or on behalf of a person who, by reason of sections 2 through 5 of this act, is ineligible for the office, nor allow the person's name to appear on the ballot.

(2) No terms or years served in office before November 3, 1992, may be used to determine eligibility to appear on the ballot.

NEW SECTION. Sec. 8. A new section is added to chapter 29.68 RCW to read as follows:

Sections 4 and 5 of this act, regarding candidates for federal legislative office, are not effective until nine states other than Washington have passed laws limiting ballot access or terms of federal legislative office, or both, based on length of service in federal legislative office.

NEW SECTION. Sec. 9. A new section is added to chapter 7.16 RCW to read as follows:

Any resident of this state may bring suit to enforce sections 2 through 8 of this act. If the person prevails, the court shall award the person reasonable attorney's fees and costs of suit.

NEW SECTION. Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

PLEASE NOTE:

In the preceding and following measures, all words in double brackets with a line through them are in the State Law at the present time and are being taken out by the measure. All words underlined do not appear in the State Law as they are now written but will be put in if the measure is adopted.

To obtain a copy of the preceding and following texts for the state measures in larger print, call the Secretary of State's toll-free hotline -- 1-800-448-4881.



COMPLETE TEXT OF Initiative Measure 134

AN ACT Relating to the regulation of political contributions and campaign expenditures; amending RCW 42.17.095, 42.17.125, 42.17.510, 41.04.230, 42.17.180, 42.17.390, and 42.17.240; adding new sections to chapter 42.17 RCW; creating new sections; repealing RCW 42.17.243; and prescribing penalties.

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

PART I FINDINGS AND INTENT

NEW SECTION. Sec. 1. FINDINGS. The people of the state of Washington find and declare that:

(1) The financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates.

(2) Rapidly increasing political campaign costs have led many candidates to raise larger percentages of money from special interests with a specific financial stake in matters before state government. This has caused the public perception that decisions of elected officials are being improperly influenced by monetary contributions.

(3) Candidates are raising less money in small contributions from individuals and more money from special interests. This has created the public perception that individuals have an insignificant role to play in the political process.

NEW SECTION. Sec. 2. INTENT. By limiting campaign contributions, the people intend to:

(1) Ensure that individuals and interest groups have fair and equal opportunity to influence elective and governmental processes;

(2) Reduce the influence of large organizational contributors; and

(3) Restore public trust in governmental institutions and the electoral process.

PART II DEFINITIONS

NEW SECTION. Sec. 3. DEFINITIONS. The definitions of RCW 42.17.020 apply to sections 4 through 19 of this act except as modified by this section. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 4 through 19 of this act.

(1) "Authorized committee" means the political committee authorized by a candidate, or by the state official against whom recall charges have been filed, to accept



COMPLETE TEXT OF Initiative Measure 134 (con't.)

contributions or make expenditures on behalf of the candidate or state official.

(2) "Bona fide political party" means:

(a) An organization that has filed a valid certificate of nomination with the secretary of state under chapter 29.24 RCW; or

(b) The governing body of the state organization of a major political party, as defined in RCW 29.01.090, which 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.

(3) "Candidate" means an individual seeking nomination for election or seeking election to a state office. An individual is deemed to be seeking nomination for election or seeking election when the individual first:

(a) Announces publicly or files for the office;

(b) Purchases commercial advertising space or broadcast time to promote his or her candidacy;

(c) Receives contributions or makes expenditures for facilities with intent to promote his or her candidacy for the office; or

(d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (b) or (c) of this subsection.

(4) "Caucus of the state legislature" means the caucus of members of a major political party in the state house of representatives or in the state senate.

(5)(a) "Contribution" includes a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of value, including personal and professional services for less than full consideration.

(b) Subject to further definition by the commission, "contribution" does not include the following:

(i) Interest on money deposited in a political committee's account;

(ii) Ordinary home hospitality;

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

(v) 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 primary business is that news medium, and that is not controlled by a candidate or political committee;

(vi) An expenditure by a political committee for its own internal organization or fund raising without direct association with individual candidates;

(vii) An internal political communication primarily limited to the contributors to a political party organization or political action committee, or the officers, management staff, and stockholders of a corporation or similar enterprise, or the members of a labor organization or other membership organization;

(viii) 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 and that are performed outside the individual's normal working hours; or

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

(A) A political party or caucus of the state legislature 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.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution.

(d) Sums paid for tickets to fund-raising events such as dinners and parties are contributions, except for the actual cost of the consumables furnished at the event.

(e) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, or their agents, is considered to be a contribution to such candidate or political committee.

(f) 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 prepared by a candidate, a political committee, or its authorized agent, is considered to be a contribution to the candidate or political committee.

(6) "Election" means a primary or a general or special election in which a candidate is on the ballot.

(7) "Election cycle" means the period beginning on the first day of December after the date of the last previous general election for the office that the candidate seeks and ending on November 30th 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 November 30th after



COMPLETE TEXT OF Initiative Measure 134 (con't.)

the special election.

(8) "General election" means the election that results in the election of a person to a state office. It does not include a primary.

(9) "Immediate family" means a candidate's spouse, and any child, stepchild, grandchild, parent, stepparent, grandparent, brother, half-brother, sister, or half-sister of the candidate and the spouse of any such person and any child, stepchild, grandchild, parent, stepparent, grandparent, brother, half-brother, sister, or half-sister of the candidate's spouse and the spouse of any such person.

(10) "Independent expenditure" means an "expenditure" as defined in RCW 42.17.020 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 any 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 any 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 any 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.

(11)(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.

(b) A treasurer or a candidate is not an intermediary for purpose 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.

(12) "Person" includes:

(a) An individual;

(b) A partnership, limited partnership, public or private corporation, or joint venture;

(c) A nonprofit corporation, organization, or association, including but not limited to, a national, state, or local labor union or collective bargaining organization and a national, state, or local trade or professional association;

(d) A federal, state, or local governmental entity or agency, however constituted;

(e) A candidate, committee, political committee, bona fide political party, or executive committee thereof; and

(f) Any other organization or group of persons, however organized.

(13) "Primary" means the procedure for nominating a candidate to state office under chapter 29.18 or 29.21 RCW or any other primary for an election which uses, in large measure, the procedures established in chapter 29.18 or 29.21 RCW.

(14) "Recall campaign" means the period of time beginning on the date of the filing of recall charges under RCW 29.82.015 and ending thirty days after the recall election.

(15) "State legislative office" means the office of a member of the state house of representatives and the office of a member of the state senate.

(16) "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.

(17) "State official" means a person who holds a state office.

PART III CONTRIBUTIONS

NEW SECTION. Sec. 4. CAMPAIGN CONTRIBUTION LIMITS. (1) No person, other than a bona fide political party or a caucus of the state legislature, may make contributions to a candidate for a state legislative office that in the aggregate exceed five hundred dollars or to a candidate for a state office other than a state legislative office that in the aggregate exceed one thousand dollars for each election in which the candidate is on the ballot or appears as a write-in candidate. Contributions made with respect to a primary may not be made after the date of the primary. Contributions made with respect to a general election may not be made after the final day of the applicable election cycle.

(2) No person, other than a bona fide political party or a caucus of the state legislature, may make contributions to a state official against whom recall charges have been filed, or to a political committee having the expectation of making expenditures in support of the recall of the state official,



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during a recall campaign that in the aggregate exceed five hundred dollars if for a state legislative office or one thousand dollars if for a state office other than a state legislative office.

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

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

(4)(a) Notwithstanding subsection (2) of this section, no bona fide political party or caucus of the state legislature may make contributions to a state official against whom recall charges have been filed, or to a political committee having the expectation of making expenditures in support of the state official, during a recall campaign that in the aggregate exceed (i) fifty cents multiplied by the number of eligible registered voters in the jurisdiction entitled to recall the state official if the contributor is a caucus of the state legislature of the governing body of a state organization, or (ii) twenty-five cents multiplied by the number of registered voters in the jurisdiction from which the candidate is elected if the contributor is a county central committee or a legislative district committee.

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

(5) Notwithstanding subsections (1) through (4) of this section, no person other than an individual, bona fide political party, or caucus of the state legislature may make contributions reportable under this chapter to a caucus of the

state legislature that in the aggregate exceed five hundred dollars in a calendar year or to a bona fide political party that in the aggregate exceed two thousand five hundred dollars in a calendar year. This subsection does not apply to loans made in the ordinary course of business.

(6) For the purposes of sections 4 through 19 of this act, a contribution to the authorized political committee of a candidate, or of a state official against whom recall charges have been filed, is considered to be a contribution to the candidate or state official.

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

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

(9) Sections 4 through 19 of this act apply to a special election conducted to fill a vacancy in a state office. However, the contributions made to a candidate or received by a candidate for a primary or special election conducted to fill such a vacancy shall not be counted toward any of the limitations that apply to the candidate or to contributions made to the candidate for any other primary or election.

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

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

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

NEW SECTION. Sec. 5. ATTRIBUTION AND AGGREGATION OF FAMILY CONTRIBUTIONS. (1) Contributions by a husband and wife are considered separate contributions.



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(2) Contributions by unemancipated children under eighteen years of age are considered contributions by their parents and are attributed proportionately to each parent. Fifty percent of the contributions are attributed to each parent or, in the case of a single custodial parent, the total amount is attributed to the parent.

NEW SECTION. Sec. 6. **ATTRIBUTION OF CONTRIBUTIONS BY CONTROLLED ENTITIES.** For purposes of this chapter:

(1) A contribution by a political committee with funds that have all been contributed by one person who exercises exclusive control over the distribution of the funds of the political committee is a contribution by the controlling person.

(2) Two or more entities are treated as a single entity if one of the two or more entities is a subsidiary, branch, or department of a corporation or a local unit, branch, or affiliate of a trade association, labor union, or collective bargaining association. All contributions made by a person or political committee whose contribution or expenditure activity is financed, maintained, or controlled by a trade association, labor union, collective bargaining organization, or the local unit of a trade association, labor union, or collective bargaining organization are considered made by the same person or entity.

NEW SECTION. Sec. 7. **ATTRIBUTION OF CONTRIBUTIONS.** All contributions made by a person or entity, either directly or indirectly, to a candidate, to a state official against whom recall charges have been filed, or to a political committee, are considered to be contributions from that person or entity to the candidate, state official, or political committee, as are contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, state official, or political committee. For the purposes of this section, "earmarked" means a designation, instruction, or encumbrance, whether direct or indirect, expressed or implied, or oral or written, that is intended to result in or does result in all or any part of a contribution being made to a certain candidate or state official. If a conduit or intermediary exercises any direction or control over the choice of the recipient candidate or state official, the contribution is considered to be by both the original contributor and the conduit or intermediary.

NEW SECTION. Sec. 8. **LIMITATIONS ON EMPLOYERS OR LABOR ORGANIZATIONS.** (1) No employer or labor organization may increase the salary of an officer or employee, or give an emolument to an officer, employee, or

other person or entity, with the intention that the increase in salary, or the emolument, or a part of it, be contributed or spent to support or oppose a candidate, state official against whom recall charges have been filed, political party, or political committee.

(2) No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee.

(3) No employer or other person or entity responsible for the disbursement of funds in payment of wages or salaries may withhold or divert a portion of an employee's wages or salaries for contributions to political committees or for use as political contributions except upon the written request of the employee. The request must be made on a form prescribed by the commission informing the employee of the prohibition against employer and labor organization discrimination described in subsection (2) of this section. The request is valid for no more than twelve months from the date it is made by the employee.

(4) Each person or entity who withholds contributions under subsection (3) of this section shall maintain open for public inspection for a period of no less than three years, during normal business hours, documents and books of accounts that shall include a copy of each employee's request, the amounts and dates funds were actually withheld, and the amounts and dates funds were transferred to a political committee. Copies of such information shall be delivered to the commission upon request.

NEW SECTION. Sec. 9. **CHANGING MONETARY LIMITS.** At the beginning of each even-numbered calendar year, the commission shall increase or decrease all dollar amounts in this chapter based on changes in economic conditions as reflected in the inflationary index used by the commission under RCW 42.17.370. The new dollar amounts established by the commission under this section shall be rounded off by the commission to amounts as judged most convenient for public understanding and so as to be within ten percent of the target amount equal to the base amount provided in this chapter multiplied by the increase in the inflationary index since the effective date of this act.

NEW SECTION. Sec. 10. **CONTRIBUTIONS FROM BEFORE EFFECTIVE DATE OF ACT.** Contributions made and received before the effective date of this act are considered to be contributions under sections 4 through 19 of this act. Monetary contributions that exceed the contribution limitations and that have not been spent by the recipient of the contribution by the effective date of this act must be disposed of in accordance with RCW 42.17.095.

NEW SECTION. Sec. 11. **TIME LIMIT FOR STATE**



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OFFICIAL TO SOLICIT OR ACCEPT CONTRIBUTIONS. During the period beginning on the thirtieth day before the date a regular legislative session convenes and continuing thirty days past the date of final adjournment, and during the period beginning on the date a special legislative session convenes and continuing through the date that session adjourns, no state official or a person employed by or acting on behalf of a state official or state legislator may solicit or accept contributions to a public office fund, to a candidate or authorized committee, or to retire a campaign debt.

NEW SECTION. Sec. 12. RESTRICTION ON LOANS.

(1) A loan is considered to be a contribution from the maker and the guarantor of the loan and is subject to the contribution limitations of this chapter.

(2) A loan to a candidate or the candidate committee must be by written agreement.

(3) The proceeds of a loan made to a candidate:

(a) By a commercial lending institution;

(b) Made in the regular course of business;

(c) On the same terms ordinarily available to members of the public; and

(d) That is secured or guaranteed,

are not subject to the contribution limits of this chapter.

NEW SECTION. Sec. 13. CONTRIBUTIONS ON BEHALF OF ANOTHER. (1) A person, other than an individual, may not be an intermediary or an agent for a contribution.

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

NEW SECTION. Sec. 14. CERTAIN CONTRIBUTIONS REQUIRED TO BE BY WRITTEN INSTRUMENT. (1) An individual may not make a contribution of more than fifty dollars, other than an in-kind contribution, except by a written instrument containing the name of the donor and the name of the payee.

(2) A committee may not make a contribution, other than in-kind, except by a written instrument containing the name of the donor and the name of the payee.

NEW SECTION. Sec. 15. SOLICITATION OF CONTRIBUTIONS BY GOVERNMENT EMPLOYEES. (1) No state official or state official's agent may knowingly solicit, di-

rectly or indirectly, a contribution from an employee in the state official's agency.

(2) No state official or state employee may provide an advantage or disadvantage to an employee or applicant for employment in the classified civil service concerning the applicant's or employee's:

(a) Employment;

(b) Conditions of employment; or

(c) Application for employment,

based on the employee's or applicant's contribution or promise to contribute or failure to make a contribution or contribute to a political party or committee.

NEW SECTION. Sec. 16. AGENCY SHOP FEES AS CONTRIBUTIONS. A labor organization may not use agency shop fees paid by an individual who is not a member of the organization to make contributions or expenditures to influence an election or to operate a political committee, unless affirmatively authorized by the individual.

NEW SECTION. Sec. 17. SOLICITATION FOR ENDORSEMENT FEES. A person or entity may not solicit from a candidate, committee, political party, or other person or entity money or other property as a condition or consideration for an endorsement, article, or other communication in the news media promoting or opposing a candidate, committee, or political party.

NEW SECTION. Sec. 18. REIMBURSEMENT FOR CONTRIBUTIONS. A person or entity may not, directly or indirectly, reimburse another person or entity for a contribution to a candidate, committee, or political party.

NEW SECTION. Sec. 19. PROHIBITION ON USE OF CONTRIBUTIONS FOR A DIFFERENT OFFICE. (1) Except as provided in subsection (2) of this section, a candidate committee may not use or permit the use of contributions solicited for or received by the candidate committee to further the candidacy of the individual for an office other than the office designated on the statement of organization. A contribution solicited for or received on behalf of the candidate is considered solicited or received for the candidacy for which the individual is then a candidate if the contribution is solicited or received before the general elections for which the candidate is a nominee or is unopposed.

(2) With the written approval of the contributor, a candidate committee may use or permit the use of contributions solicited for or received by the candidate committee from that contributor to further the candidacy of the individual for an office other than the office designated on the statement of organization.

Sec. 20. TRANSFER OF FUNDS--USE OF FUNDS FOR OTHER OFFICE ELIMINATED. RCW 42.17.095 and 1982 c 147 s 8 are each amended to read as follows:



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The surplus funds of a candidate, or of a political committee supporting or opposing a candidate, may only be disposed of in any one or more of the following ways:

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

(2) Transfer the surplus to the candidate's personal account as reimbursement for lost earnings incurred as a result of that candidate's election campaign. Such lost earnings shall be verifiable as unpaid salary or, when the candidate is not salaried, as an amount not to exceed income received by the candidate for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the candidate or the candidate's political committee. The committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090;

(3) Transfer the surplus to ~~((one or more candidates or to))~~ a political ~~((committee or))~~ party or to a caucus of the state legislature;

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

(5) Transmit the surplus to the state treasurer for deposit in the general fund; or

(6) Hold the surplus in the campaign depository or depositories designated in accordance with RCW 42.17.050 for possible use in a future election campaign ~~((, for political activity, for community activity, or for nonreimbursed public office related expenses))~~ for the same office last sought by the candidate and report any such disposition in accordance with RCW 42.17.090; PROVIDED, That if the candidate subsequently announces or publicly files for office, information as appropriate is reported to the commission in accordance with RCW 42.17.040 through 42.17.090. If a subsequent office is not sought the surplus held shall be disposed of in accordance with the requirements of this section.

(7) No candidate or authorized committee may transfer funds to any other candidate or other political committee.

Sec. 21. CANDIDATE PERSONAL FUND LOANS LIMITED. RCW 42.17.125 and 1989 c 280 s 12 are each amended to read as follows:

Contributions received and reported in accordance with RCW 42.17.060 through 42.17.090 may only be transferred to the personal account of a candidate, or of a treasurer or other individual or expended for such individual's personal use under the following circumstances:

(1) Reimbursement for or loans to cover lost earnings incurred as a result of campaigning or services performed for

the committee. Such lost earnings shall be verifiable as unpaid salary, or when the individual is not salaried, as an amount not to exceed income received by the individual for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the individual or the individual's political committee. The committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.

(2) Reimbursement for direct out-of-pocket election campaign and postelection campaign related expenses made by the individual. To receive reimbursement from the political committee, the individual shall provide the committee with written documentation as to the amount, date, and description of each expense, and the committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.

(3) Repayment of loans made by the individual to political committees, which repayment shall be reported pursuant to RCW 42.17.090. However, contributions may not be used to reimburse a candidate for loans totaling more than three thousand dollars made by the candidate to the candidate's own authorized committee or campaign.

-PART IV- INDEPENDENT EXPENDITURES

Sec. 22. INDEPENDENT EXPENDITURE ADVERTISING DISCLOSURE. RCW 42.17.510 and 1984 c 216 s 1 are each amended to read as follows:

(1) All written political advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name and address. All radio and television political advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name. The use of an assumed name shall be unlawful. The party with which a candidate files shall be clearly identified in political advertising for partisan office.

(2) In addition to the materials required by subsection (1) of this section, all political advertising undertaken as an independent expenditure by a person or entity other than a party organization must include the following statement on the communication "NOTICE TO VOTERS (Required by law): This advertisement is not authorized or approved by any candidate. It is paid for by (name, address, city, state)." If the advertisement is undertaken by a nonindividual, 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 reportable under this chapter during the twelve-month period before the date of the advertisement.

(3) The statements and listings of contributors required by subsections (1) and (2) of this section shall:

(a) Appear on each page or fold of the written communication in at least ten-point type, or in type at least ten percent of the largest size type used in a written communi-



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ation 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;

(c) Be in a printed or drawn box set apart from any other printed matter; and

(d) Be clearly spoken on any broadcast advertisement.

(4) 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.

((3)) (5) For the purposes of this section, "yard sign" means any outdoor sign with dimensions no greater than eight feet by four feet.

NEW SECTION. Sec. 23. INDEPENDENT EXPENDITURE DISCLOSURE. A person or entity other than a party organization making an independent expenditure by mailing one thousand or more identical or nearly identical cumulative pieces of political advertising in a single calendar year shall, within two working days after the date of the mailing, file a statement disclosing the number of pieces in the mailing and an example of the mailed political advertising with the election officer of the county or residence for the candidate supported or opposed by the independent campaign 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.

PART V

USE OF PUBLIC FUNDS OR OFFICE FOR POLITICAL PURPOSES

NEW SECTION. Sec. 24. Public funds, whether derived through taxes, fees, penalties, or any other sources, shall not be used to finance political campaigns for state or local office.

NEW SECTION. Sec. 25. FRANKING PRIVILEGE LIMITED. During the twelve-month period preceding the expiration of a state legislator's term in office, no incumbent to that office may mail to a constituent at public expense a letter, newsletter, brochure, or other piece of literature that is not in direct response to that constituent's request for a response or for information. However, one mailing mailed within thirty days after the start of a regular legislative session

and one mailing mailed within sixty days after the end of a regular legislative session of identical newsletters to constituents are permitted. A violation of this section constitutes use of the facilities of a public office for the purpose of assisting a campaign under RCW 42.17.130.

The house of representatives and senate shall specifically limit expenditures per member for the total cost of mailings, including but not limited to production costs, printing costs, and postage.

Sec. 26. STATE PAYROLL POLITICAL CHECK-OFF ELIMINATED. RCW 41.04.230 and 1988 c 107 s 19 are each amended to read as follows:

Any official of the state authorized to disburse funds in payment of salaries and wages of public officers or employees is authorized, upon written request of the officer or employee, to deduct from the salaries or wages of the officers or employees, the amount or amounts of subscription payments, premiums, contributions, or continuation thereof, for payment of the following:

(1) Credit union deductions: PROVIDED, That the credit union is organized solely for public employees: AND PROVIDED FURTHER, That twenty-five or more employees of a single state agency or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same credit union.

(2) Parking fee deductions: PROVIDED, That payment is made for parking facilities furnished by the agency or by the department of general administration.

(3) U.S. savings bond deductions: PROVIDED, That a person within the particular agency shall be appointed to act as trustee. The trustee will receive all contributions; purchase and deliver all bond certificates; and keep such records and furnish such bond or security as will render full accountability for all bond contributions.

(4) Board, lodging or uniform deductions when such board, lodging and uniforms are furnished by the state, or deductions for academic tuitions or fees or scholarship contributions payable to the employing institution.

(5) Dues and other fees deductions: PROVIDED, That the deduction is for payment of membership dues to any professional organization formed primarily for public employees or college and university professors: AND PROVIDED, FURTHER, That twenty-five or more employees of a single state agency, or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same professional organization.

(6) Labor or employee organization dues may be deducted in the event that a payroll deduction is not provided under a collective bargaining agreement under the provisions of RCW 41.06.150: PROVIDED, That twenty-five or more officers or employees of a single agency, or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same labor or employee organization: PROVIDED, FURTHER, That labor or employee organizations with five hundred or



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more members in state government may have payroll deduction for employee benefit programs.

~~(7) (Voluntary deductions for political committees duly registered with the public disclosure commission and/or the federal election commission: PROVIDED, That twenty-five or more officers or employees of a single agency or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same political committee.~~

~~(8)) Insurance contributions to the authority for payment of premiums under contracts authorized by the state health care authority.~~

Deductions from salaries and wages of public officers and employees other than those enumerated in this section or by other law, may be authorized by the director of financial management for purposes clearly related to state employment or goals and objectives of the agency and for plans authorized by the state health care authority.

The authority to make deductions from the salaries and wages of public officers and employees as provided for in this section shall be in addition to such other authority as may be provided by law: PROVIDED, That the state or any department, division, or separate agency of the state shall not be liable to any insurance carrier or contractor for the failure to make or transmit any such deduction.

PART VI POLITICAL EXPENDITURE AND CONTRIBUTION REPORTING

Sec. 27. INDEPENDENT EXPENDITURE ANNUAL REPORTING. RCW 42.17.180 and 1990 c 139 s 4 are each amended to read as follows:

(1) Every employer of a lobbyist registered under this chapter during the preceding calendar year and every person other than an individual that made contributions aggregating to more than ten thousand dollars or independent expenditures aggregating to more than five hundred dollars during the preceding calendar year shall file with the commission on or before ~~((March 31st))~~ the last day of February of each year a statement disclosing for the preceding calendar year the following information:

(a) The name of each state elected official and the name of each candidate for state office who was elected to the office and any member of the immediate family of those persons to whom the ~~((employer))~~ person reporting has paid any compensation in the amount of five hundred dollars or more during the preceding calendar year for personal employment or professional services, including professional services rendered by a corporation, partnership, joint ven-

ture, association, union, or other entity in which the person holds any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more, the value of the compensation in accordance with the reporting provisions set out in RCW 42.17.241(2), and the consideration given or performed in exchange for the compensation.

(b) The name of each state elected official, successful candidate for state office, or members of his immediate family to whom the ~~((lobbyist employer))~~ person reporting made expenditures, directly or indirectly, either through a lobbyist or otherwise, the amount of the expenditures and the purpose for the expenditures. For the purposes of this subsection, the term expenditure shall not include any expenditure made by the employer in the ordinary course of business if the expenditure is not made for the purpose of influencing, honoring, or benefiting the elected official, successful candidate, or member of his immediate family, as an elected official or candidate.

(c) The total expenditures made by the ~~((employer))~~ person reporting for lobbying purposes, whether through or on behalf of a registered lobbyist or otherwise.

(d) All contributions made to a ~~((candidate for state office, to a))~~ political committee supporting or opposing a candidate for state office, or to a political committee supporting or opposing a state-wide ballot proposition. Such contributions shall be identified by the name and the address of the recipient and the aggregate amount contributed to each such recipient.

(e) The name and address of each registered lobbyist employed by the ~~((employer))~~ person reporting and the total expenditures made by ~~((the employer))~~ such person for each such lobbyist for lobbying purposes.

(f) The names, offices sought, and party affiliations of candidates for state offices supported or opposed by independent expenditures of the person reporting and the amount of each such expenditure.

(g) The identifying proposition number and a brief description of any state-wide ballot proposition supported or opposed by expenditures not reported under (d) of this subsection and the amount of each such expenditure.

(h) Such other information as the commission prescribes by rule.

(2)(a) Except as provided in (b) of this subsection, an employer of a lobbyist registered under this chapter shall file a special report with the commission if the employer makes a contribution or contributions aggregating more than one hundred dollars in a calendar month to any one of the following: A candidate, elected official, officer or employee of an agency, or political committee. The report shall identify the date and amount of each such contribution and the name of the candidate, elected official, agency officer or employee, or political committee receiving the contribution or to be benefited by the contribution. The report shall be filed on a form prescribed by the commission and shall be filed within fifteen days after the last day of the calendar



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month during which the contribution was made.

(b) The provisions of (a) of this subsection do not apply to a contribution which is made through a registered lobbyist and reportable under RCW 42.17.170.

PART VII PENALTIES

Sec. 28. PENALTIES. RCW 42.17.390 and 1973 c 1 s 39 are each amended to read as follows:

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

~~((a))~~ (1) If the court finds that the violation of any provision of this chapter by any candidate or political committee probably affected the outcome of any election, the result of said election may be held void and a special election held within sixty days of such finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.

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

~~((c))~~ (3) Any person who violates any of the provisions of this chapter may be subject to a civil penalty of not more than ten thousand dollars for each such violation. However, a person or entity who violates section 4 of this act may be subject to a civil penalty of ten thousand dollars or three times the amount of the contribution illegally made or accepted, whichever is greater.

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

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

~~((f))~~ (6) The court may enjoin any person to prevent the doing of any act herein prohibited, or to compel the performance of any act required herein.

PART VIII PUBLIC DISCLOSURE COMMISSION

NEW SECTION. Sec. 29. COMMISSION AUDITS. The commission shall conduct a sufficient number of audits and field investigations so as to provide a statistically valid finding regarding the degree of compliance with the provisions of this chapter by all required filers.

PART IX GIFTS

NEW SECTION. Sec. 30. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Benefit" means a commercial, proprietary, financial, economic, or monetary advantage, or the avoidance of a commercial, proprietary, financial, economic, or monetary disadvantage.

(2) "Gift" means a rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, reimbursements from or payments by persons, other than the state of Washington or an agency or political subdivision thereof, for travel or anything else of value in excess of fifty dollars in return for which legal consideration of equal or greater value is not given and received but does not include:

(a) A contribution that is required to be reported under RCW 42.17.090 or 42.17.243;

(b) Informational material that is transferred for the purpose of informing the recipient about matters pertaining to official agency business, and that is not intended to financially benefit that recipient;

(c) A symbolic presentation that is not intended to financially benefit the recipient;

(d) An honorarium that is required to be reported under this chapter;

(e) Hosting in the form of entertainment, meals, or refreshments, the value of which does not exceed fifty dollars, furnished in connection with official appearances, official ceremonies, and occasions where official agency business is discussed;

(f) Gifts that are not used and that, within thirty days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

(g) Intrafamily gifts; or

(h) Gifts received in the normal course of private business or social interaction that are not related to public policy decisions or agency actions.

Sec. 31. PUBLIC OFFICIAL ANNUAL REPORTING OF "GIFTS." RCW 42.17.240 and 1989 c 158 s 1 are each amended to read as follows:

(1) Every elected official and every executive state officer shall after January 1st and before April 15th of each year file with the commission a statement of financial affairs for the preceding calendar year. However, any local elected official whose term of office expires immediately after December 31st shall file the statement required to be filed by this section



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for the year that ended on that December 31st. In addition to and in conjunction with the statement of financial affairs, every official and officer shall file a statement describing any gifts received during the preceding calendar year.

(2) Every candidate shall within two weeks of becoming a candidate file with the commission a statement of financial affairs for the preceding twelve months.

(3) Every person appointed to a vacancy in an elective office or executive state officer position shall within two weeks of being so appointed file with the commission a statement of financial affairs for the preceding twelve months.

(4) A statement of a candidate or appointee filed during the period from January 1st to April 15th shall cover the period from January 1st of the preceding calendar year to the time of candidacy or appointment if the filing of the statement would relieve the individual of a prior obligation to file a statement covering the entire preceding calendar year.

(5) No individual may be required to file more than once in any calendar year.

(6) Each statement of financial affairs filed under this section shall be sworn as to its truth and accuracy.

(7) For the purposes of this section, the term "executive state officer" includes those listed in RCW 42.17.2401.

(8) This section does not apply to incumbents or candidates for a federal office or the office of precinct committee officer.

NEW SECTION. Sec. 32. LOBBYIST NOTIFICATION OF GIFTS. When a listing or a report of contributions is made to the commission under RCW 42.17.170(2)(c), a copy of the listing or report must be given to the candidate, elected official, professional staff member of the legislature, or officer or employee of an agency, or a political committee supporting or opposing a ballot proposition named in the listing or report.

PART X MISCELLANEOUS

NEW SECTION. Sec. 33. CODIFICATION DIRECTIONS. (1) Sections 1 through 19 of this act are each added to chapter 42.17 RCW as a subchapter and codified with the subchapter heading of "CAMPAIGN CONTRIBUTION LIMITATIONS."

(2) Sections 23 through 25, 29, 30, and 32 of this act are each added to chapter 42.17 RCW.

NEW SECTION. Sec. 34. CAPTIONS. Section captions and part headings used in this act do not constitute any part of the law.

NEW SECTION. Sec. 35. REPEALER. RCW 42.17.243 and 1977 ex.s. c 336 s 5 are each repealed.

NEW SECTION. Sec. 36. SHORT TITLE. This act may be known and cited as the Fair Campaign Practices Act.

LANGUAGE ASSISTANCE

In many instances, assistance can be provided to those who have difficulty reading this pamphlet because their primary language is not English. For more information, call the Secretary of State Voter Information Hotline at 1-800-448-4881.