



PUBLIC DISCLOSURE COMMISSION

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To: Members, Washington State Public Disclosure Commission
From: Lori Anderson, Communications & Training Officer
Date: September 19, 2013
Re: Rule Making Discussion and Possible Approval of Draft Language Adjusting Dollar Amounts Found in RCW 42.17A

A discussion of possible amendments to WAC 390-05-400 *Changes in dollar amounts* and WAC 390-16-050 *Forms for contributions and expenditures of out-of-state political committees* is scheduled for the September 26 meeting. The potential amendments would adjust certain dollar amounts found in RCW 42.17A as directed by statute.

WAC 390-05-400 Changes in dollar amounts:

At the beginning of every even-numbered year, RCW 42.17A.125(1) provides that the Commission shall increase or decrease the contribution limits and other dollar amounts enacted by Initiative 134 and subsequent legislation. The statutory formula mandates that each dollar amount be multiplied by the level of inflation as estimated by the Implicit Price Deflator. The product is the “target amount” for each adjusted value. The actual adjusted amount adopted by the Commission must be within 10% of the target amount and “convenient for public understanding.”

The draft language to amend WAC 390-05-400 is attached. In addition to adjusting the dollar amounts, the draft amendment also inserts and adjusts the contribution limit for hospital commissioner candidates, enacted by SB 5748, effective July 28, 2013. The draft language proposes that the current \$800 limit for hospital commissioner candidates and the \$900 limit for other local candidates both be adjusted to \$950, an amount within 10% of the target amount for each adjusted value.

WAC 390-16-050 Forms for contributions and expenditures of out-of-state political committees:

The law also requires an annual modification to the disclosure threshold for large, out-of-state contributions reported by an out-of-state political committee.¹ [RCW 42.17A.250\(1\)\(g\)](#). The

¹ Instead of registering with the PDC and reporting all activity, an out-of-state political committee that spends over \$50 to support or oppose state or local candidates and/or ballot measures discloses those expenditures as well as contributions exceeding \$25 it received in the calendar year from Washington residents and contributions exceeding \$2,615 received from anyone outside of Washington, provided that the committee is registered and has been filing

modification is calculated using the percentage change in the implicit price deflator for personal consumption expenditures for the U.S. as published for the most recent 12-month period by the U. S. Dept. of Commerce. Implementing the modification is done by amending [WAC 390-16-050](#) *Forms for contributions and expenditures of out-of-state political committees* (C-5 form, section 12). The attached draft amendment to WAC 390-16-050 changes the disclosure threshold from \$2,615 to \$2,645.

Commission Action:

Staff requests the Commission approve the draft language for amended WACs 390-05-400 and 390-16-050 presented in the attachments. The draft language, as approved, will be filed with the Code Reviser and a public hearing will likely be scheduled for the December meeting so that the new rules can take effect in January 2014.

Attachment: Draft language for proposed amendment to WAC 390-05-400
Draft language for proposed amendment to WAC 390-16-050

AMENDATORY SECTION (Amending WSR 13-05-012, filed 2/7/13, effective 3/10/13)

WAC 390-05-400 Changes in dollar amounts. Pursuant to the requirement in RCW 42.17A.125 that the commission biennially revise the dollar amounts found in Initiative 134 and RCW 42.17A.410 to reflect changes in economic conditions, the following revisions are made:

Code Section	Subject Matter	Amount Enacted or Last Revised	((2012)) <u>2014</u> Revision
.005	Definition of "Independent Expenditure"	\$(800) <u>900</u>	\$(900) <u>950</u>
.445(3)	Reimbursement of candidate for loan to own campaign	\$(4,700) <u>5,000</u>	\$(5,000) <u>5,500</u>
.630(1)	Report— Applicability of provisions to Persons who made contributions Persons who made independent expenditures	\$(16,000) <u>18,000</u> \$(800) <u>900</u>	\$(18,000) <u>19,000</u> \$(900) <u>950</u>
.405(2)	Contribution Limits— Candidates for state leg. office Candidates for county office Candidates for other state office Candidates for special purpose districts Candidates for city council office Candidates for mayoral office Candidates for school board office <u>Candidates for hospital district</u>	\$(800) <u>900</u> \$(800) <u>900</u> \$(1,600) <u>1,800</u> \$(1,600) <u>1,800</u> \$(800) <u>900</u> \$(800) <u>900</u> \$(800) <u>900</u> <u>\$800</u>	\$(900) <u>950</u> \$(900) <u>950</u> \$(1,800) <u>1,900</u> \$(1,800) <u>1,900</u> \$(900) <u>950</u> \$(900) <u>950</u> \$(900) <u>950</u> <u>\$950</u>
.405(3)	Contribution Limits— State official up for recall or pol comm. supporting recall— State Legislative Office Other State Office	\$(800) <u>900</u> \$(1,600) <u>1,800</u>	\$(900) <u>950</u> \$(1,800) <u>1,900</u>
.405(4)	Contribution Limits— Contributions made by political parties and caucus committees State parties and caucus committees County and leg. district parties Limit for all county and leg. district parties to a candidate	((.80)) <u>.90</u> per voter ((.40)) <u>.45</u> per voter ((.40)) <u>.45</u> per voter	((.90)) <u>.95</u> per registered voter ((.45)) <u>.50</u> per registered voter ((.45)) <u>.50</u> per registered voter

Code Section	Subject Matter	Amount Enacted or Last Revised	((2012)) <u>2014</u> Revision
.405(5)	Contribution Limits— Contributions made by pol. parties and caucus committees to state official up for recall or committee supporting recall		
	State parties and caucuses	((.80)) <u>.90</u> per voter	((.90)) <u>.95</u> per registered voter
	County and leg. district parties	((.40)) <u>.45</u> per voter	((.45)) <u>.50</u> per registered voter
	Limit for all county and leg. district parties to state official up for recall or pol. comm. supporting recall	((.40)) <u>.45</u> per voter	((.45)) <u>.50</u> per registered voter
.405(7)	Limits on contributions to political parties and caucus committees		
	To caucus committee	\$((800)) <u>900</u>	\$((900)) <u>950</u>
	To political party	\$((4,000)) <u>4,500</u>	\$((4,500)) <u>5,000</u>
.410(1)	Candidates for judicial office	\$((1,600)) <u>1,800</u>	\$((1,800)) <u>1,900</u>
.475	Contribution must be made by written instrument	\$((80)) <u>90</u>	\$((90)) <u>95</u>

[Statutory Authority: RCW 42.17A.110 and 42.17A.125. WSR 13-05-012, § 390-05-400, filed 2/7/13, effective 3/10/13. Statutory Authority: RCW 42.17.110 and 42.17.125. WSR 12-10-041, § 390-05-400, filed 4/27/12, effective 5/28/12. Statutory Authority: RCW 42.17.370(1) and 42.17.690. WSR 12-01-032, § 390-05-400, filed 12/13/11, effective 1/13/12. Statutory Authority: RCW 42.17.370(1), 42.17.690, and 42.17.645. WSR 08-04-022, § 390-05-400, filed 1/28/08, effective 2/28/08. Statutory Authority: RCW 42.17.370. WSR 07-07-005, § 390-05-400, filed 3/8/07, effective 4/8/07. Statutory Authority: RCW 42.17.370 and 42.17.690. WSR 06-07-001, § 390-05-400, filed 3/1/06, effective 4/1/06. Statutory Authority: RCW 42.17.690. WSR 03-22-064, § 390-05-400, filed 11/4/03, effective 1/1/04. Statutory Authority: RCW

42.17.370 and 42.17.690. WSR 01-22-050, § 390-05-400, filed 10/31/01, effective 1/1/02. Statutory Authority: RCW 42.17.370(1). WSR 00-04-058, § 390-05-400, filed 1/28/00, effective 3/1/00. Statutory Authority: RCW 42.17.690. WSR 98-08-069, § 390-05-400, filed 3/30/98, effective 5/1/98; WSR 96-04-021, § 390-05-400, filed 1/30/96, effective 3/1/96.]

Form <h1 style="margin: 0;">C5</h1> (1/14)	This space for office use P M O A S R T K R E C E I V E D
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Out-of-State Political Committee Campaign Finance Report

1. Name and full address of committee making the contribution Name Street address City / State / Zip	2. Check appropriate box <input type="checkbox"/> This is the first report submitted during 20__ <input type="checkbox"/> This shows new expenditures, contributions or information changed from reports submitted previously this calendar year.
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3. Provide the purpose of the committee and the identity of any business, union, association or person with which the committee is affiliated (e.g., a State Committee of the Oregon Republican Party, Idaho committee of United Workers Union or federal PAC of XYZ Trade Assn.)

4. Officers or responsible leaders of committee:

Name and full address	Title
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5. States where this political committee is registered and has been actively reporting campaign finance information for the preceding two years:

Name of state(s) & administrative agency(s)	Agency(s) website address
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6. Candidate contributions: List each Washington candidate for state, local or judicial office to whom you have made a contribution of more than \$50.00.

Candidate name	Office sought	Political party	Date	Amount

7. Ballot measure committee contributions: List each Washington committee supporting or opposing a ballot measure to whom you have made a contribution of more than \$50.00.

Committee name & full address	Ballot number	For or Against?	Date	Amount

8. Other contributions and expenditures: List each other contribution or expenditure of more than \$50.00 made to or on behalf of any Washington state, local or judicial candidate, ballot measure or political committee.

Recipient name & full address	Purpose	Date	Amount

Check here if continued on an attached sheet

9. Total contributions and expenditures (Add parts 6, 7, 8)

10. Aggregate contributions and expenditures made during this calendar year in Washington State.

Include amounts shown on this report and C5 reports previously submitted this calendar year. _____

Does this aggregate total represent 20% or more of the committee's nationwide campaign activity to date for this calendar year? Y N

11. Contributions received from Washington residents. List all contributions of more than \$25.00 in the aggregate to this out-of-state committee during the current calendar year from Washington residents or corporations with their headquarters or a primary place of business in Washington.

Name and full address	Date	Amount	Aggregate Total

Check here if continued on an attached sheet

12. Contributions received from persons residing outside of Washington. List the name, address, and employer of each person or corporation residing outside the state of Washington who has made contributions of more than \$2,645.00 in the aggregate to this out-of-state committee during the current calendar year.

Name and full address	Employer name, city and state	Date	Amount	Aggregate Total

Check here if continued on an attached sheet

13. Eligibility to Give to Political Committees and State Office Candidates: A committee must receive \$10 or more each from ten Washington State registered voters before contributing to a Washington State political committee. Additionally, during the six months prior to making a contribution to a state office candidate your committee must have received contributions of \$10 or more each from at least ten Washington State registered voters.

A check here indicates your awareness of and pledge to comply with these provisions. Absence of a check mark means your committee does not qualify to give to Washington State political committees and/or state office candidates.

14. Certification: I certify the information contained in this report is true, complete and correct to the best of my knowledge.

Signature of Committee Official

Name – Typed or Printed

Title

Daytime Telephone No. () _____

E-Mail Address _____

Instructions – (Statutory reference: RCW 42.17A.250)

Who Must Report on C5 Form: An out-of-state political committee, including political committees filing with the Federal Election Commission, organized for the purpose of supporting or opposing candidates or ballot propositions in another state that is not otherwise required to report under RCW 42.17A.205 through 42.17A.240 which has made contributions or expenditures to or on behalf of a state, local or judicial candidate or political committee in Washington state. See WAC 390-16-049 reprinted below. A political committee making contributions or expenditures to or on behalf of a state, local or judicial candidate or political committee in Washington state that fails to satisfy all of the conditions of WAC 390-16-049(3) shall not use the C5 form but instead shall register and report as a political committee pursuant to RCW 42.17A.205 through 42.17A.240 and as otherwise required by RCW 42.17A.

When to Report: A C5 report is due no later than the 10th day of the month following any month in which a contribution or other expenditure of more than \$50 is made to or on behalf of a Washington state candidate or political committee. After filing an initial C5 report, subsequent reports during the same calendar year shall be filed updating or amending the information previously reported. These follow-up reports are also due no later than the 10th day of the month following any month in which an additional contribution or other expenditure of more than \$50 is made. The C5 report is considered filed as of the postmark date.

Send Report to: Public Disclosure Commission, 711 Capitol Way, Room 206, PO Box 40908, Olympia, Washington 98504-0908

Questions? Contact PDC at www.pdc.wa.gov, toll free at 1-877-601-2828 or 1-360-753-1111

WAC 390-16-049 Out-of-state political committees – Implementation of RCW 42.17A.250

(1) RCW 42.17A.250 governs campaign reporting in Washington State by committees located outside of Washington. The statute directs that an out-of-state political committee organized for the purpose of supporting or opposing candidates or ballot propositions in another state (and that is not otherwise required to report as an in-state committee) reports the information listed in RCW 42.17A.250 on a C5 form (WAC 390-16-050). The committee begins reporting on a C5 form when it makes an expenditure supporting or opposing a Washington state candidate or political committee.

(2) To file as an out-of-state political committee, all the criteria in (a) and (b) below must be satisfied:

(a) **Out-of-State.** First, the committee must be located out-of-state. It must be maintaining its office or headquarters in another U.S. state or the District of Columbia, and has no office, street address or corporate registered agent in Washington State. If there is no office or headquarters in another state or the District of Columbia, and no corporate registered agent in Washington State, the political committee is deemed out-of-state if its treasurer resides in another U.S. state or the District of Columbia.

(b) **Organizational Purpose and Campaign Activities.** Second, the committee must also be currently organized primarily for engaging in campaign activities in another state. The political committee may be described in other states as a political committee, political action committee (PAC), group (Alaska) or similar terms to describe a committee. Therefore, to qualify as a current out-of-state committee, the committee must also:

(i) Be currently registered and actively filing campaign disclosure reports in one or more other states and has been so filing for the preceding two years; and,

(ii) Have organizational documents showing it was originally formed and is currently organized for the purpose of making expenditures in another state or soliciting contributions for use in another state's election campaigns; and,

(iii) Have spent less than 20 percent of its aggregate expenditures for all political campaign activity nationwide at any point in any calendar year to support and/or oppose Washington candidates for state, local and judicial office, Washington ballot measures and/or Washington political committees.

(3) A committee that does not satisfy the criteria subsection (2) shall file as an in-state committee under RCW 42.17A, including RCW 42.17A.205 – RCW 42.17A.240.

(4) Out-of-state political committees reporting under RCW 42.17A.250 are also subject to reporting pursuant to RCW 42.17A.260 (political advertising independent expenditures) and 42.17A.305 through 42.17A.315 (electioneering communications).