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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: S-3258.1/18

ATTY/TYPIST: SCG:eab

BRIEF DESCRIPTION: Prohibiting political action committees from receiving a majority of their funds from one or a combination of political committees.

1 AN ACT Relating to contributions from political committees to  
2 other political committees; adding a new section to chapter 42.17A  
3 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the public has  
6 the right to know who is contributing to election campaigns in  
7 Washington state and that campaign finance disclosure deters  
8 corruption, increases public confidence in Washington state  
9 elections, raises the level of debate, and strengthens our  
10 representative democracy.

11 The legislature finds that campaign finance disclosure is  
12 overwhelmingly supported by the citizens of Washington state as  
13 evidenced by the two initiatives that largely established  
14 Washington's current system. Both passed with more than seventy-two  
15 percent of the popular vote, as well as winning margins in every  
16 county in the state.

17 One of the cornerstones of Washington state's campaign finance  
18 disclosure laws is the requirement that political advertisements  
19 disclose the sponsor and the sponsor's top five donors. Many  
20 political action committees have avoided this important transparency  
21 requirement by funneling money from political action committee to

1 political action committee so the top five donors listed are  
2 deceptive political action committee names rather than the real  
3 donors. The legislature finds that this practice, sometimes called  
4 "gray money" or "donor washing," undermines the intent of Washington  
5 state's campaign finance laws and impairs the transparency required  
6 for fair elections and a healthy democracy.

7 Therefore, the legislature intends to close this disclosure  
8 loophole, increase transparency and accountability, raise the level  
9 of discourse, deter corruption, and strengthen confidence in the  
10 election process by prohibiting political committees from receiving  
11 an overwhelming majority of their funds from one or a combination of  
12 political committees.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 42.17A  
14 RCW to read as follows:

15 (1) For any requirement of including "top five contributors"  
16 information under RCW 42.17A.320 or any other provision of this  
17 chapter, the persons or entities making the largest contributions  
18 shall be determined solely as follows:

19 (a) The sponsor must first identify the five persons or entities  
20 making the largest contributions in excess of seven hundred dollars  
21 reportable under this chapter during the twelve-month period  
22 preceding the date on which the advertisement is initially to be  
23 published or otherwise presented to the public;

24 (b) For any political committee that qualifies as one of the top  
25 five contributors identified under (a) of this subsection, the top  
26 five contributors to that political committee during the same period  
27 must then be identified, and so on, until the individuals or entities  
28 other than political committees that have contributed the most to all  
29 political committees involved with the advertisement have been  
30 identified; and

31 (c) The sponsor's advertisement must then list the top five  
32 individuals or entities other than political committees contributing  
33 in excess of seven hundred dollars and making the largest aggregate  
34 contributions among all those identified under (a) and (b) of this  
35 subsection.

36 (2) Contributions to the sponsor that are earmarked, tracked, and  
37 used for purposes other than the advertisement in question should not  
38 be counted in identifying the top five contributors under subsection  
39 (1) of this section.

1           (3) The commission is authorized to adopt rules, as needed, to  
2 prevent circumvention and effectuate the purposes of top five  
3 contributors information requirements, which are intended to inform  
4 voters about the individuals and entities sponsoring political  
5 advertisements.

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