



State of Washington
PUBLIC DISCLOSURE COMMISSION

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9:30 a.m.

May 22, 2013

MINUTES-SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Amit Ranade, Chair
Grant Degginger, Member
Kathy Turner, Member

COMMISSION MEMBER ABSENT

Barry Sehlin, Vice Chair

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Nancy Krier, General Counsel
Lori Anderson, Communications & Training Officer
Phil Stutzman, Director of Compliance
Kurt Young, Compliance Office
Jennifer Hansen, Filer Assistance Specialist
Michael Smith, Chief Information Technology Officer
Linda Dalton, Sr. Assistant Attorney General
Jana Greer, Confidential Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Amit Ranade at 9:50 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Chair Ranade called the meeting to order.

Citizens Comments/Concerns

No comments or concerns expressed.

Commissioner Comments/Concerns

No comments or concerns expressed by the Commission.

Nancy Krier, General Counsel, introduced the 2013 PDC summer law clerks.

Michael Woo and Cullen Gatten, both from Gonzaga Law School, will be with the PDC until the first part of August.

Minutes

Motion 13-025

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt the minutes of April 25, 2013 regular meeting.

The motion passed.

Rules Hearing

- Electronic Signatures
WAC 390-17-100 Contributions
withholding authorizations

Ms. Krier reviewed the proposed amendments to WAC 390-17-100. She provided background noting that at the request of a stakeholder the Commission reviewed WAC 390-17-100 to consider modernizing the rule to accommodate electronic payroll deductions for campaign contributions.

Ms. Krier reviewed the March 2013 proposed changes to the rule. She noted that once adopted, the amendments become effective 31 days after filing with the Code Reviser.

Dmitri Iglitzin was present at the hearing, representing the stakeholder who had requested the revisions to the Contributions with holding authorizations process.

Mr. Iglitzin thanked the Commission and staff for its speed and efficiency in addressing this matter. He agreed with the staff's recommendation to adopt the proposed rule changes as presented.

Motion 13-026

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt amendments to WAC 390-17-100 as proposed.

The motion passed.

- Top 5
 - WAC 390-18-010 Advertising, political advertising, electioneering communications, and independent expenditures
 - WAC 390-18-025 Advertising – Identification of “top five contributors”

Lori Anderson, Communications and Training Officer, presented to the Commission for consideration and possible adoption, proposed amendments to WAC 390-18-010 Advertising, political advertising, electioneering communications, and independent expenditures, and WAC 390-18-025 Advertising – Identification of “top five contributors”.

No comments were made by stakeholders or the public.

Staff recommended the Commission adopt the proposed amendments.

Motion 13-027

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission adopt amendments to WAC 390-18-010 as proposed.

The motion passed.

Motion 13-028

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission adopt amendments to WAC 390-18-025 as proposed.

The motion passed.

- Internet Campaign Activity
 - WAC 390-18-015 Online political advertising
 - WAC 390-18-030 Advertising – Exemptions from identification
 - WAC 390-05-210 Definition – Contribution
 - WAC 390-05-290 Definition – Political advertising
 - WAC 390-05-520 Periodical
 - WAC 390-17-405 Volunteer services

Ms. Krier provided a background and summary of the proposed rule language in Title 390 WAC, that addressees Internet campaigning, specifically the proposed amendments to WAC 390-18-030, 390-05-290, 390-05-520, and 390-17-405 and the proposed new rule of WAC 390-18-015.

She noted an additional letter from Jay Arnold, Technology Director of FUSE, which referenced an additional suggestion for refining the proposed rule language that would define small online advertising as advertising with content.

Mr. Arnold was present at the hearing and discussed FUSE's history and involvement in the various online advertising campaigns, and development in this area over the last four years.

He noted that FUSE appreciates the Commission's work in allowing for alternate disclosure on ads where limitations are imposed by the provider.

Dmitri Iglitzin also addressed the Commission and discussed concerns about some of the proposed amendments. He stated that he agrees there should be a disclosure requirement for online advertising and a modified requirement for small online advertisements.

Commissioner Ranade suggested additional changes to the language of WAC 390-18-015 (7), proposed edit A, to address the issues and concerns raised by Mr. Iglitzin.

He noted that the recommended changes would remove the phrase "imposed by the provider."

The Commission reviewed and discussed the remaining proposed edits.

Motion 13-029

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt WAC 390-18-015 and

amendments to WAC 390-18-030 as proposed and modified by discussion.

The motion passed.

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt amendments to rule WAC 360-05-290, WAC 390-05-520, and WAC 390-17-405 as proposed.

The motion passed.

Motion 13-030

Interpretations

Evolving technology and campaigns (continued)

- 95-05 Fundraising through 900 telephone numbers
- 00-02 Guidelines for internet contributions

Ms. Krier provided an overview of past discussions regarding evolving technology and campaigns with respect to campaign contributions via text message and the Commission's consideration of updating Interpretations 95-05 and 00-02.

Staff proposed that the Commission use Interpretation 00-02 as the vehicle to move forward for all guidance concerning contributions made via new technologies and recommended that the Commission take no action at this time.

Ms. Krier suggested that the proposed changes to Interpretation 00-02 be sent to individuals that have weighed-in over the past year for additional feedback before the Commission finalizes any revisions to the guidance.

Agency Calendars (continued)

- 04-02 Local government guidelines

Ms. Krier provided an overview of past discussions regarding proposed amendments to the local government guidelines addressing calendaring activities within the restrictions of ECW 42.17A.555.

Ms. Krier summarized the additional stakeholder work completed by staff and the comments/input received. She reviewed the additional amendments highlighted in her May 16, 2013 memo to the Commission.

Staff recommended adoption of the proposed amendments to Interpretation 04-02.

Motion 13-031

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission adopt the amendments to Interpretation 04-02 Local Government Guidelines as proposed.

The motion passed.

Training

Last Minute Contributions (LMC)
Demonstration

Michael Smith demonstrated one of the agency's first LEAN initiatives, a new online application that will allow electronic filing of last minute contributions (LMC) reports. These LMC reports are currently files on paper, usually sent to the PDC as an attachment to an email, which must then be scanned and entered into the PDC's "view actual reports" database.

This application will reduce processing time, and it will allow the information to be available to the public more expediently, saving the user and the agency time overall, and improving the public's access to the information.

E-Audit Update

Andrea McNamara Doyle updated the Commission on the progress and status of the agency E-audits.

Executive Session

The Commission went into executive session at 11:55 a.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:00 p.m.

Reporting Modifications

New

- Carol Nelson, Director, Department of Revenue

Jennifer Hansen presented Carol Nelson's request for reporting modification.

Carol Nelson appeared in person.

Ms. Hansen stated that Ms. Nelson is requesting a reporting modification that would exempt her from disclosing the business and other governmental customers that paid \$10,000 or more during the previous 12 months to the following non-profit entities for which she served on the board of directors: Volunteers of America Western Washington, Seattle University, Washington Bankers Association and Premera Blue Cross.

She further stated that Ms Nelson is also requesting a reporting modification that would exempt her from disclosing the business and other governmental customers that paid \$10,000 or more during the previous 12 months to Housing Hope Properties, a non-profit entity for which her husband serves on the board of directors.

Ms. Hansen noted that Ms. Nelson is no longer serving on the board of directors for Volunteers of America Western Washington, and Premera Blue

Motion 13-032

Cross.

Staff recommended approval of Ms. Nelson's request for a reporting modification.

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals – No Change

- Andrea Darvas, Judge, King County Superior Court
- Theresa Doyle, Judge, King County Superior Court
- Elizabeth Martin, Judge, Pierce County Superior Court
- Dan Kristiansen, State Representative, 39th Legislative District
- ~~Norman Gutzwiler, Commissioner, Chelan County Public Utility District~~
- Mark Thompson, Commissioner, Thurston County Fire District 5

Chair Ranade stated that the request for renewal with no change from *Norman Gutzwiler*, Commissioner, Chelan County Public Utility District, be removed from the agenda and will be considered at a future meeting.

Ms. Hansen presented to the Commission, for approval, five additional requests for reporting modification renewals with no change.

Staff recommended approval of the requests.

Motion 13-033

Moved by Commissioner Degginger, seconded by Commissioner Turner that:

The Commission grant the partial reporting modifications as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicants and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

E-Audit Update

Phil Stutzman and Kurt Young provided an update on the current audit and group enforcement process for L2, L3, F1, and C1 reports.

Mr. Stutzman gave an overview of filing requirements for each type of report, and discussed the staff processes and timeframes involved for each.

Retreat Planning Discussion

Ms. Doyle discussed potential dates, logistical preferences, and possible agenda items for the upcoming commission retreat, and received guidance from the Commission on each.

Legislative/Budget Update

Ms. Doyle reported on pending legislative matters of interest to the Commission. She noted SB 5507, and

SB 2748 have been signed by the Governor, and all of the items listed in her May 16, 2013 memo to the Commission, have now been formally acted on and become law.

She reviewed the next steps for staff and the Commission to implement these laws and inform affected filers and others.

Staff Reports

Executive Director

Ms. Doyle discussed relayed and recent issues raised concerning Interpretation 92-01, the wearing of political pins and buttons. She asked if there was sufficient interest on part of the Commission to undertake a process of reviewing and potentially revising this interpretation, or possibly converting this into a rule through the rulemaking process.

She provided a background and history of Interpretation 92-01.

The Commission did not identify a need or desire to further review Interpretation 92-01 at this time.

Ms. Doyle announced the PDC's receipt of an award of national recognition, from the National Institute of Money and State Politics, showing that Washington State received a perfect score on the State's disclosure of the independent spending in campaigns.

Ms. Doyle also reported on the Future of Political Reform Debate sponsored by Stanford Law School, FPPC, and the California Fair Political Practices commission.

Chief Information Technology Officer

Mr. Smith stated the "URL" voters guide project will only include statewide and judicial candidates this year and not the local races, which predominate this year's elections. This was a decision made by the Secretary of State's office.

General Counsel

Ms. Krier had no additional comments to her report. Commissioner Degginger stated that he attended the 2013 Washington State Association of Municipal Attorneys Spring Conference, where Ms. Krier gave a Continuing Legal Education (CLE) presentation on restrictions on use of public facilities to assist campaigns. He noted that she provided an excellent presentation.

Adjournment

Chair Ranade adjourned the meeting at 2:05 p.m.

Approved

June 27, 2013.