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*Original via email to:
pdc@pdc.wa.gov*

April 12, 2023

Peter Frey Lavallee
Executive Director
Public Disclosure Commission
P. O. Box 40908
Olympia, WA 98504-0908

Re: Petition for Declaratory Order
Our File No.: 2960-032

Dear Mr. Lavallee:

PETITION FOR DECLARATORY ORDER

We represent SEIU Washington State Council (SEIU State Council), which is acting on behalf of Service Employees International Union Washington State Council PAC, SEIU Initiative Fund, SEIU Local 6 PAC, Service Employees International Union Local 925 Public Service PAC, SEIU 775 Quality Care Committee, SEIU 775 Ballot Fund, Public School Employees of Washington Political Action Fund, SEIU Healthcare 1199 NW PAC, SEIU Political Education and Action Fund (SEIU PEAFF), CIR/SEIU Local 1957 Health Care Advocacy Fund, and Service Employees International Union Committee of Interns and Resident Physicians PAC (the subject committees).

The subject committees include the two political committees sponsored by the State Council (SEIU Washington State Council PAC, SEIU Initiative Fund), political committees sponsored by local unions that are affiliated with SEIU State Council (SEIU Local 6 PAC, SEIU Local 925 Public Service PAC, SEIU 775 Quality Care Committee, SEIU 775 Ballot Fund, Public School Employees of Washington Political Action Fund, SEIU Healthcare 1199 NW PAC), an out-of-state political committee sponsored by the International Union with which the State Council is affiliated (SEIU PEAFF), and two out-of-state political committees sponsored by an affiliate of the International Union, which represents SEIU members in Washington State (CIR/SEIU Local 1957 Health Care Advocacy Fund and SEIU Committee of Interns and Resident Physicians PAC). SEIU State Council seeks a Declaratory Order pursuant to RCW 34.05.240 and WAC 390-12-250 to suspend application of the ten-contributor requirements in RCW 42.17A.405(12), 42.17A.442, and WAC 390-17-315 to the subject committees.

I. Regulatory Framework

Under RCW 34.05.240, a petitioner may seek a declaratory order by showing that: (a) uncertainty necessitating resolution exists; (b) there is actual controversy arising from the uncertainty such that a declaratory order will not be merely an advisory opinion; (c) the uncertainty adversely affects the petitioner; (d) the adverse effect of uncertainty on the petitioner outweighs any adverse effects on others or on the general public that may likely arise from the order requested; and (e) the petition complies with any additional requirements established by the agency.

The Public Disclosure Commission's (PDC) regulations call for a petition for a declaratory order to clearly state the question and provide a statement of the facts which raise the question. *See* WAC 390-12-250.

II. Basis for the Petition

SEIU State Council assists the local unions and the other entities identified above by, among other things, providing guidance regarding their legal obligations relating to the political committees they sponsor that make or wish to make electoral political expenditures in Washington State. Those local unions and other entities, and the political committees they sponsor, face substantial uncertainty in determining whether the subject committees must comply or continue to comply with the ten-contributor requirements under RCW 42.17A.405(12), 42.17A.442, and the corresponding regulations in WAC 390-17-315, despite a Thurston County Superior Court decision that found RCW 42.17A.442 unconstitutional and recent Ninth Circuit decisions striking down similar campaign finance requirements.

The ten-contributor requirement in RCW 42.17A.442 prohibits a political committee from contributing to another political committee unless it “has received contributions of ten dollars or more each from at least ten persons registered to vote in Washington state.” *Id.* Similarly, RCW 42.17A.405(12) prohibits a political committee from contributing “to a state office 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” unless it “has received ten dollars or more from at least ten persons registered to vote in Washington state during the preceding one hundred eighty days.” *Id.*¹

The subject committees receive funds and engage in or wish to engage in electoral political expenditures in support of the interests of union members and other workers throughout Washington. They are transparent about the priorities and interests they represent and the sources of funding on which they rely. But because the subject committees are typically funded not by individual donors but instead by the sponsoring union's general fund (which is itself funded for the most part, if not entirely, by individual members) or by a political committee sponsored by the International Union (which in turn is funded by that International Union) these committees face a substantial ongoing burden in complying with the ten-contributor requirements in RCW 42.17A.405(12) and 42.17A.442.

¹ In its February 23, 2023, meeting, the Commission voted to increase this amount to \$25 through an inflation adjustment.

The ten-contributor requirements are even more burdensome for the out-of-state PACs among the subject committees. SEIU PEAFF, which is registered as an out-of-state PAC in Washington, must obtain contributions from registered Washington voters every 180 days as a prerequisite to making contributions to candidates for state office. CIR/SEIU Local 1957 Health Care Advocacy Fund and SEIU Committee of Interns and Resident Physicians PAC, out-of-state PACs registered in New York and California, respectively, have not yet made political contributions in Washington but are interested in doing so. Before contributing to a Washington political committee or candidate for state office, however, they would first need to secure donations from ten registered Washington voters. Because these committees are based in other states and do not solicit individual donations (either in Washington or in any other state) as part of their funding model, the ten-contributor requirement poses a substantial obstacle to their exercise of political speech.

A. The Ten-Contributor Requirement Violates the First Amendment Rights of the Subject Committees.

The ten-contributor requirement in RCW 42.17A.442 was found unconstitutional by Thurston County Superior Court Judge Schaller. *See Washington v. Grocery Mrg. Ass'n (GMA)*, No. 13-2-02156-8, Order on Motion for Judgment on the Pleadings (Jul. 25, 2014, Thurston Cty. Sup. Ct.) (copy attached). In *GMA*, the Court considered an as applied challenge to the ten-contributor provision asserted by a ballot measure committee, but the Court's reasoning and conclusions have equal application to the subject committees. The Court found that the state failed to provide a compelling justification for requiring a political committee to raise at least \$10 from ten registered Washington voters in order to be permitted to make a contribution to any other political committee. Limiting the source of contributions to natural persons within a specific geographic locale plainly restricted the speech of artificial persons (i.e., corporations and other organizations) and natural persons outside the state. *Id.* (citing *Citizens United v. FEC*, 558 U.S. 310 (2010) for the proposition that the speech rights of corporations are equal to those of natural persons). Further, the requirement compelled political committees to associate with at least ten Washington state voters, a coercion that could only be justified if it "serve[d] a compelling state interest that cannot be achieved through means significantly less restrictive of associational freedoms." *Id.* at *11. Noting that RCW 42.17A.442 was intended to prevent "sham" political committees, the Court determined that the coerced association did not serve that end and could have been drawn in a less restrictive manner. *Id.* at *12.

The *GMA* decision rests on well-established First Amendment principles, and its reasoning applies with equal force to the ten-contributor requirement under RCW 42.17A.405(12). As the Supreme Court made clear in *Citizens United*, "restrictions distinguishing among different speakers, allowing speech by some but not others" are "[p]rohibited," and "the Government may commit a constitutional wrong when by law it identifies certain preferred speakers." *Id.* at 340. Accordingly, courts have repeatedly invalidated restrictions that discriminate against artificial persons or out-of-state speakers. *See, e.g., id.* at 365 ("No sufficient governmental interest justifies limits on the political speech of nonprofit or for-profit corporations"); *Landell v. Sorrell*, 382 F.3d 91, 146-47 (2d Cir. 2004) (striking down out-of-state contribution limit, noting that nonresidents have "legitimate and strong interests in Vermont and have a right to participate, at least through speech") *rev'd in part sub nom. Randall v. Sorrell*, 548 U.S. 230 (2006) (reversing the Second Circuit on other grounds); *Thompson v. Hebdon*, 7 F.4th 811, 824 (9th Cir. 2021) (striking down Alaska's limit on nonresident contributions, noting that "[a]t most, the law aims to curb

perceived ‘undue influence’ of out-of-state contributors—an interest that is no longer sufficient after *Citizens United* and *McCutcheon*”) (quoting *McCutcheon v. Fed. Election Comm’n*, 572 U.S. 185, 206-08 (2014)).

The Ninth Circuit recently considered and struck down a Montana campaign finance regulation with close parallels to Washington’s ten-contributor requirements. *See National Association for Gun Rights v. Mangan*, 933 F.3d 1102 (9th Cir. 2019). The Montana provision required that a political committee’s treasurer be a registered voter. *Id.* at 1121. The court acknowledged the state’s “important interest in identifying representatives of political committees who can be held accountable for violations of electioneering laws” but noted that the voter registration requirement was a poor stand-in for those interests. *Id.* As the Court held, “[b]y imposing the voter registration qualification that it does, the state burdens the speech rights of [out-of-state] organizations without any justification and so violates the First Amendment.” *Id.*

The ten-contributor requirements in RCW 42.17A.405(12) and RCW 42.17A.442 are unconstitutional under these controlling First Amendment decisions. The provisions favor Washington voters over residents not registered to vote, nonresidents, and corporations or nonprofits without sufficient justification. They compel political committees to associate with ten registered Washington voters and mandate that recurrent association every 180 days as a prerequisite for the exercise of speech rights.

Despite this substantial burden on speech rights, the ten-contributor requirements are not justified by a legitimate state interest. The first version of the ten-contributor requirement was adopted in 1992 as one element of the Fair Campaign Practices Act. 1993 Wash. Sess. Laws 3, 3 – 22. The Act was intended 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.

1993 Wash. Sess. Laws 3, 3. These interests cannot justify the discriminatory burdens that the ten-contributor requirements impose on committees funded by unions and individuals who are not registered to vote in Washington State. As the Supreme Court has made abundantly clear, “the concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment.” *McCutcheon, supra*, at 207, quoting *Buckley v. Valeo*, 424 U.S. 1, at 48-49 (internal quotations omitted).

B. A Declaratory Order is Appropriate Here.

The PDC has previously suspended enforcement of requirements against committee petitioners based on a determination that such requirements were unconstitutional as applied to the petitioners. In Declaratory Order No. 17, for example, the Commission agreed that it would not enforce contribution limits against the Recall Mark Lindquist Committee because, under the Ninth Circuit’s decision in *Farris*

v. Seabrook, 677 F.3d 858 (9th Cir. 2012), such limits would be unconstitutional as applied. The Commission reached the same conclusion in not enforcing contribution limits against A Better Seattle, a committee seeking to recall Seattle City Councilmember Kshama Sawant, in Declaratory Order No. 19. Similar relief is warranted here.

The instant petition meets all five criteria set forth in RCW 34.05.240.

i. Uncertainty necessitating resolution exists.

As detailed above, the subject committees face substantial uncertainty in determining whether they must continue to comply with the ten-contributor requirements in RCW 42.17A.405(12), RCW 42.17A.442, and WAC 390-17-315, given the fact that those requirements appear to directly conflict with the subject committees' rights under the First Amendment to the United States Constitution.

ii. There is actual controversy arising from the uncertainty such that a declaratory order will not be merely an advisory opinion.

Because the subject committees are uncertain whether the PDC might attempt to enforce the ten-contributor requirements, they continue to face the significant burden of compliance.

iii. The uncertainty adversely affects the petitioner.

The ten-contributor requirements compel the subject committees to undertake fundraising activity that is inconsistent with their fundraising models and does not further their aims. On a regular basis, they must conduct targeted fundraising to obtain the requisite support from registered Washington voters solely to comply with these unconstitutional requirements. This imposes a heavy burden on the subject committees because they have no established structures or mechanisms for identifying and soliciting contributions from individual registered voters who might be willing to contribute. As noted, this burden falls even heavier on the three subject committees based outside of Washington, but it is heavy even on the subject committees based *in* Washington,

iv. The adverse effect of uncertainty on the petitioner outweighs any adverse effects on others or on the general public that may likely arise from the order requested.

As detailed above, the ten-contributor requirements are not narrowly tailored to serve a legitimate public purpose under First Amendment jurisprudence. An order will merely allow the subject political committees to focus on their core strategies for fundraising and advocacy, without the unconstitutional burden imposed by this requirement.

v. The petition complies with the PDC's additional requirements.

This petition has provided a clear statement of the question and the facts that raise the question as required by WAC 390-12-250.

Consistent with the foregoing, on behalf of the subject committees, SEIU State Council respectfully requests the PDC's acknowledgement that it will not enforce the ten-contributor requirements

Peter Frey Lavalley
April 12, 2023
Page 6 of 6

in RCW 42.17A.405(12), 42.17A.442, and WAC 390-17-315 against the subject committees on whose behalf it is seeking this relief.



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Enclosure

FILED
SUPERIOR COURT
THURSTON COUNTY, WA

2014 JUL 25 AM 9:10

BETTY J. GOULD, CLERK

<input type="checkbox"/>	EXPEDITE (if filing within 5 court days of hearing)
<input type="checkbox"/>	No hearing is set.
<input checked="" type="checkbox"/>	Hearing is set: Date: <u>June 13, 2014</u> Time: <u>9:00 a.m.</u> Judge/Calendar: <u>Honorable Christine Schaller</u>

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF THURSTON

STATE OF WASHINGTON,

Plaintiff,

v.

GROCERY MANUFACTURERS
ASSOCIATION,

Defendant.

No. 13-2-02156-8

**ORDER DENYING IN PART AND
GRANTING IN PART GMA'S
MOTION FOR JUDGMENT ON THE
PLEADINGS UNDER CR 12(c)**

GROCERY MANUFACTURERS
ASSOCIATION,

Plaintiff,

v.

ROBERT W. FERGUSON, Attorney
General of the State of Washington, in his
official capacity,

Defendant.

No. 14-2-00027-5

THIS MATTER having come before the Court on June 13, 2014 on Plaintiff Grocery
Manufacturers Association's ("GMA") Motion for Judgment on the Pleadings under CR
12(c), is DENIED in part and GRANTED in part for the reasons stated on the record. The

[PROPOSED] ORDER DENYING IN PART
AND GRANTING IN PART JUDGMENT ON
THE PLEADINGS UNDER CR 12(c) - 1

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1 Court's oral ruling explaining its reasoning is attached to this Order and incorporated herein
2 (Attachment A). At the hearing, GMA was represented by Michael K. Ryan and Aaron
3 Millstein of K&L Gates, LLP; and the State of Washington and Robert W. Ferguson were
4 represented by Linda A. Dalton, Senior Assistant Attorney General and Callie A. Castillo,
5 Assistant Attorney General.

6 The Court having considered the argument of counsel, together with the pleadings in
7 the court file:

8 Now, therefore, IT IS HEREBY ORDERED:

9 1. GMA's motion is GRANTED as to the Third Claim in its complaint in Case
10 No. 14-2-00027-5 and the Third Claim in its Counterclaim in Case No. 13-2-02156-8; RCW
11 42.17A.442 is declared unconstitutional under the First and Fourteenth Amendments to the
12 United States Constitution as applied to ballot measure committees;

13 2. GMA's motion is GRANTED as to the State's claim against GMA in Case No.
14 13-2-02156-8 based on the violation of RCW 42.17A.442; while that claim is hereby
15 DISMISSED with prejudice, this does not constitute a final judgment pursuant to Civil Rule
16 54(b); and

17 3. GMA's motion is otherwise DENIED in all other respects.

18 DONE IN ~~OPEN COURT~~ this 25 day of July, 2014.

19
20 
21 _____
22 JUDGE CHRISTINE SCHALLER

1
2 Presented by:

3 K&L GATES LLP

4 By: 

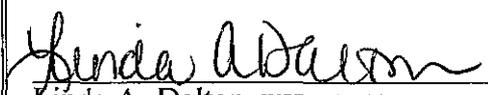
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22
23 **Copy received, approved as to form and content, notice of
24 Presentation waived:**

25 STATE OF WASHINGTON

26 
27 Linda A. Dalton, WSBA #15467
28 Senior Assistant Attorney General
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30 Assistant Attorney General
31 *Attorneys for Plaintiff State of Washington*

[PROPOSED] ORDER DENYING IN PART
AND GRANTING IN PART JUDGMENT ON
THE PLEADINGS UNDER CR 12(c) - 3

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ATTACHMENT A

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF THURSTON

STATE OF WASHINGTON,)	
)	
Plaintiff,)	
)	
vs.)	SUPERIOR COURT NO. 13-2-02156-8
)	
GROCERY MANUFACTURERS)	
ASSOCIATION,)	
)	
Defendant.)	

THE HONORABLE CHRISTINE SCHALLER PRESIDING

Ruling on CR 12(c) motion
June 13, 2014
2000 Lakeridge Drive SW
Olympia, Washington

Court Reporter
Ralph H. Beswick, CCR
Certificate No. 2023
1603 Evergreen Pk Ln SW
Olympia, Washington

A P P E A R A N C E S

For the Plaintiff: Linda A. Dalton, AAG
PO Box 40100
Olympia, WA 98504-0100

For the Respondent: Michael Ryan
K&L Gates
925 4th Avenue, Suite 2900
Seattle, WA 98104-1158

1
2 THE COURT: Please be seated.

3 This matter has come before the court on the Grocery
4 Manufacturers Association's motion pursuant to CR 12(c) as
5 a motion to dismiss. I'm going to refer to the Grocery
6 Manufacturers Association as GMA for the purposes of my
7 ruling, and I'm going to refer to the state as the state.

8 And there are three issues that were posed by GMA, and
9 I'm going to use the issue statements as they posed them as
10 I make my ruling in this matter. As was argued to the
11 court and as I needed to frequently remind myself as I
12 reviewed all of these materials and sought to analyze them,
13 this is a motion pursuant to CR 12(c), and based upon that
14 rule, the court is to accept the facts as presumed true,
15 and that the court should grant dismissal only if there
16 were no facts which would entitle a party to relief. I may
17 only consider the facts in the complaint, except the court
18 also has the ability to take judicial notice of public
19 documents if authenticity cannot be reasonably disputed and
20 documents whose contents are alleged in the complaint but
21 which are not attached. The motion must be construed in
22 the light most favorable to the nonmoving party.

23 In this case GMA, which is a trade association of food
24 and beverage companies which has been in existence for a
25 long time, over a hundred years, they made some decisions

1 that ultimately led them to bring some funds into
2 Washington State and ultimately led to this litigation. In
3 December of 2010 there was a direction in GMA research, and
4 they made some conclusions based upon their research -- and
5 the research started in December of 2010 -- about the
6 campaign here in the state of Washington, I-522, Initiative
7 522. Ultimately they determined that they would contribute
8 funds into the state of Washington as it related to this
9 campaign. They had created a fund called the Defense of
10 Brands Strategic Account. They created that account for
11 multiple reasons, and ultimately millions of dollars came
12 into the state of Washington as it relates to I-522 to
13 fight that initiative during and up until the election.

14 The first challenge is: Does the state violate the US
15 Constitution by regulating GMA as a political committee
16 while not equally treating functionally identical
17 membership associations? And the answer to that question
18 is no. From the court's perspective, GMA has characterized
19 the law as a speaker-based discrimination. The law is
20 neutral and does not single out certain speakers for
21 special burdens. Rather than focusing on speaker or
22 content, the law focuses on conduct. The law is facially
23 neutral and was not applied differently to GMA than to
24 others.

25 GMA has primarily focussed its argument on an equal

1 protection claim, which in the context of disclosure law is
2 intertwined with the First Amendment, and the court is
3 applying the proper standard of exacting scrutiny to this
4 challenge. To survive exacting scrutiny there must be a
5 substantial relation between the disclosure requirement and
6 a sufficiently important governmental interest. To
7 withstand the scrutiny, the strength of the governmental
8 interest must reflect the seriousness of the actual burden
9 on First Amendment rights. Although GMA has argued that it
10 has been treated differently than organizations which it
11 says it's similar to, such as the Natural Products
12 Association Northwest, I do not find that for the purposes
13 of the matter before the court, again, specifically
14 relating to the issue of conduct.

15 The issue as to the expectation standard, which the
16 court must consider, is meant to prevent owners from
17 shielding their identities and using a third-party
18 organization to funnel contributions. If a donor
19 contributed to an organization that did not at the time
20 expect to use the money for a particular campaign, then
21 there is no such risk that the donor was trying to
22 circumvent the disclosure laws.

23 The Court of Appeals has held that the state has a
24 substantial interest in promoting integrity and preventing
25 concealment that could harm the public and mislead voters.

1 Here, there is a sufficiently important governmental
2 interest of prohibiting circumvention of campaign finance
3 disclosures and the requirement relating to the
4 expectations of how contributions will be used is
5 substantially related to the government interest, and in
6 this way the law has not been unconstitutionally applied to
7 GMA.

8 GMA has argued and asked the question: Are Washington's
9 disclosure laws as applied unconstitutional because GMA
10 could have safely participated in the state's political
11 process only by disclosing millions of dollars of
12 non-Washington, non-electoral transactions and no
13 legitimate state interest in informing Washington voters
14 about Washington elections supports this burden? The
15 answer to that question is no.

16 GMA's argument is that the disclosure requirements are
17 unconstitutional because it will need to disclose
18 information that is not related to the I-522 campaign and
19 because disclosure would be required before it had actually
20 contributed to that campaign or committed itself to doing
21 so. There are many factual allegations that GMA has made
22 for the purposes of this motion from the court's
23 perspective that are not appropriate in a CR 12(c) motion.
24 It argues that it would be impossible for it to know from
25 the outset how much it would contribute to the No on 522

1 campaign, it would be required to over-report donations,
2 and the campaign disclosure laws necessarily and
3 unconstitutionally require it to report information that
4 has no relation to Washington politics. As I've talked
5 about, the facts must be taken in the light most favorable
6 to the state. The allegation in the complaint and/or
7 amended complaint must be viewed as true, and the court is
8 to consider and can consider hypothetical facts as well.

9 The first amended complaint alleges that GMA researched
10 how much money it should devote to oppose I-522, and it
11 concluded that \$10 million should be allotted to the
12 effort. It created a fund called the Defense of Brands
13 Strategic Account for multiple purposes, including fighting
14 the GMO labeling ballot measures. GMA has assessed its
15 members with dues for the No on 522 opposition, among other
16 efforts, and ultimately deposited over \$13 million in the
17 Defense of Brands Strategic Account. GMA kept its members
18 informed about the No on 522 campaign. From that account,
19 it has contributed millions of dollars on the No on 522
20 campaign, and only after this occurred did it register as a
21 political committee and disclose the contributions.

22 GMA's argument is based on its version of facts, not the
23 facts taken in the light most favorable to the state. GMA
24 does not explain how the law is unconstitutional as applied
25 in light of its choice to comingle the funds despite clear

1 reporting requirements. The law does not require
2 disclosure of funds that are unrelated to Washington
3 politics as long as organizations register as a political
4 committee and keep its accounts separate. GMA's broader
5 records are only at issue because it did not report their
6 millions of dollars in contributions in its capacity as a
7 political committee.

8 This law is not over-broad. It has not been
9 unconstitutionally applied to GMA, and as it relates to
10 that portion of the motion, it is also denied as well as
11 the first issue.

12 The last issue before the court is: Does Washington's
13 ten-contributor law violate the First Amendment as it
14 applies to ballot measure committees by conditioning
15 political association on a group's gaining token support
16 from ten registered Washington voters? And the answer to
17 that question is yes.

18 RCW 42.17A.442 provides that a political committee may
19 make a contribution to another political committee only
20 when the contributing political committee has received
21 contributions of ten dollars or more each from at least ten
22 persons registered to vote in Washington State. This law
23 was enacted in 2011, became effective January 1, 2012. And
24 it was, as was argued, a direct response to a situation
25 which occurred in 2010 wherein a political consultant for a

1 state senate race created a series of sham political
2 committees and made contributions between them to hide the
3 true source of funds for advertisements. And in the end,
4 that candidate who benefited from the deceptive practice
5 won. And though today I am ruling in favor of GMA as it
6 relates to this law and I believe that their position is
7 correct, it is not in any way a reflection on this court's
8 thought about what the legislature was trying to do and why
9 they were trying to do it. I simply find that the law as
10 written is unconstitutional.

11 After the incident in 2010, the legislature wanted to
12 make it more difficult to conceal the true source of funds
13 by using sham political committees to contribute to other
14 committees, and that is when RCW 42.17A.442 was created.
15 It is argued that this law increases transparency, prevents
16 recurrence of the problem that occurred in 2010 and sheds
17 daylight on organizations trying to simply move money from
18 one organization to another. If that is what the statute
19 is supposed to do, it raises several questions. How will
20 the recruitment of ten extremely small donors prevent or
21 even reduce the existence of sham political committees? It
22 doesn't seem difficult to obtain ten small contributors.
23 That would hardly be a roadblock as the state has argued.

24 One of the most important and troubling questions in the
25 court's mind, however, is why must these contributors be

1 registered Washington voters? The state did not and cannot
2 articulate a reason for this classification. The law at
3 issue here distinguishes among different speakers. It also
4 treats political speech of natural persons differently than
5 that of corporations. It requires support of ten natural
6 persons who are also Washington voters before a campaign
7 contribution can be exchanged from one political committee
8 to another.

9 This discriminates in a manner that violates the First
10 Amendment. This was as expressed in *Citizens United versus*
11 *the Federal Elections Commission*. Quoting from that case,
12 "Premised on mistrust of governmental power, the First
13 Amendment stands against attempts to disfavor certain
14 subjects or viewpoints.... Prohibited, too, are
15 restrictions distinguishing among different speakers,
16 allowing speech by some but not others.... Quite apart
17 from the purpose or effect of regulating content, moreover,
18 the government may commit a constitutional wrong when by
19 law it identifies certain preferred speakers. By taking
20 the right to speak from some and giving it to others, the
21 government deprives the disadvantaged person or class of
22 the right to use speech to strive to establish worth,
23 standing and the respect for the speaker's voice." It goes
24 on to further state, "The court has recognized that First
25 Amendment protection extends to corporations.... The court

1 has thus rejected the argument that political speech of
2 corporations or other associations should be treated
3 differently under the First Amendment simply because such
4 associations are not 'natural persons.'

5 But moreover, this law also implicates the freedom of
6 association. GMA may not make a particular form of
7 contribution unless it associates politically with ten
8 Washington voters. The United States Supreme Court held
9 that mandatory associations are permissible only when they
10 serve a compelling state interest that cannot be achieved
11 through means significantly less restrictive of
12 associational freedoms. While the mandatory associations
13 at issue in those cases involved comprehensive regulatory
14 schemes that are much different than the case before the
15 court in which GMA could merely opt out and then decline to
16 contribute to the No on 522 campaign, such forced
17 associations regarding political speech should be closely
18 scrutinized.

19 It has been argued as it relates to the test for
20 evaluation that "A campaign contribution limitation is
21 'closely drawn' if it focus[es] on the narrow aspect of
22 political association where the actuality and potential for
23 corruption have been identified -- while leaving persons
24 free to engage in independent political expression, to
25 associate actively through volunteering their services, and

1 to assist in a limited but nonetheless substantial extent
2 in supporting the candidates and committees with financial
3 resources." And that comes from the *Montana Right to Life*
4 *Association versus Eddleman* case.

5 But this test cannot be met in this situation. This law
6 does not focus on the narrow aspect of political
7 association at issue because it does not prohibit sham
8 political committees; it merely requires a larger group of
9 contributors. It does not leave persons free to engage in
10 independent political expression because it mandates
11 association rather than independence, and it mandates the
12 categories in which those associations must belong. Based
13 upon all of this, I find that RCW 42.17A.442 as it applies
14 to ballot title measure committees is unconstitutional.

15 So I don't know if the parties anticipate presenting
16 orders today. I presume not. But I will leave it to you
17 to address that issue, and if you cannot present orders
18 today, and if there's not agreement, you can re-note it on
19 any Friday.

20 MR. RYAN: I have a quick question. I saw you were
21 reading from something. Do you intend to issue some type
22 of letter ruling?

23 THE COURT: No. That's why I ruled in open court.

24 MR. RYAN: Okay. Thank you, Your Honor.

25 THE COURT: Thank you.

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MS. DALTON: Thank you, Your Honor.

THE COURT: Thank you.

CERTIFICATE OF REPORTER.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I, RALPH H. BESWICK, CCR, Official Reporter of the Superior Court of the State of Washington in and for the County of Thurston do hereby certify:

That I was authorized to and did stenographically report the foregoing proceedings held in the above-entitled matter as designated by Counsel to be included in the transcript and that the transcript is a true and complete record of my stenographic notes.

Dated this 23rd day of June, 2014.

RALPH H. BESWICK, CCR
Official Court Reporter
Certificate No. 2023