

State of Washington PUBLIC DISCLOSURE COMMISSION

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| TO: | Commissioners |
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| FROM: | Sean Flynn, General Counsel |
| DATE: | June 20, 2024 |
| RE: | Rules Development Agenda for July 2024-January 2025 |

The Administrative Procedure Act requires state agencies to prepare a biannual rules development agenda that includes the issues under consideration for rulemaking for the upcoming six-month period. RCW 34.05.314. Agendas are published in the State Register at the end of January and July each year. Staff proposes the following rulemaking agenda for the period from July 2024 through January 2025:

<u>Updating enforcement penalty schedules</u>

The Commission will consider amending the penalty schedules for both brief enforcement hearings (WAC 390-37-143) and full adjudicatory proceedings (WAC 390-37-182). The assessment will include the specified ranges for each category of violation. The Commission will also consider the factors used to determine mitigating and aggravating circumstances, which are used to determine the appropriate penalty, and whether such factors should be extended to apply to consideration of alternative case resolutions (i.e. warnings, etc.).

- <u>Criteria for exemptions to sponsor identification on political advertising</u>
 The Commission adopted an emergency rule this year to implement the new enacted law, HB 2032, regarding sponsor ID on political yard signs. The emergency rules will expire on October 4, 2024, and the Commission will consider whether to extend those rules through the end of the election cycle. The Commission will consider further permanent rulemaking on the content of sponsor ID requirements for yard signs and other smaller advertisements where sponsor ID may be impracticable.
- <u>Preparation for possible implementation of SSB 5857 (reorganization of the campaign finance chapter).</u>

Legislation proposed this year, SSB 5857 would reorganize the campaign finance law, Ch 42.17A RCW into a new statutory title. The reorganization as proposed would not make any substantive changes to the current law, but would require all statutory references in rule to be changed to the references in the new title. The bill would not take effect until 2026, but the agency would begin the process of drafting the new rules to prepare for ultimate adoption.

• <u>Update PDC Interpretation 07-04 re online campaign activities, including digital</u> <u>advertising.</u>

The continuing development of new digital technology and Internet consumer products requires an update to existing PDC guidance on the use of websites, social media, and digital advertising. Over the past several years, the Commission has reviewed and analyzed the policy and mechanisms for improving disclosure in the evolving area of digital political advertising. The PDC will look to expand upon this work to analyze the broader use of social media, including influencers, websites, and other forms of communication in relation to disclosure requirements and the regulation of campaign expenditure activity.

Further need for rulemaking may generate from this work, particularly regarding the campaign reporting of expenditure details for digital advertising. Such rulemaking would connect with the previous work of the Commission adopting rules on the responsibilities of commercial advertisers to maintain records of the digital advertising they sell.