2018 Washington Disclose Act

Below is a brief summary of the 2018 DISCLOSE Act, which contains new donor disclosure laws for nonprofits engaged in electoral campaigns. The new law takes effect January 1, 2019. This document does not constitute legal advice; please consult with your organization’s legal counsel to ensure compliance with the DISCLOSE Act and other Washington State election laws.

Synopsis

Under the new law, all types of nonprofit organizations that expect to spend above $25,000 on ballot measure campaigns (or independent political expenditures in the case of 501(c)(4)’s) in a given year must register as an “Incidental Committee” with the Public Disclosure Commission.

The law requires that Incidental Committees disclose their top ten donors above $10,000 to the Public Disclosure Commission. The disclosure applies to any donor to the organization that meets the giving threshold, regardless of whether the money was earmarked for a specific nonpolitical purpose. Contributions to a nonprofit from private foundations are exempt from the reporting requirements unless they were given specifically for political spending.

The disclosure requirements also apply to all types of nonprofit organizations that provide $25,000 or more to a 501(c)(4) or PAC for ballot measure advocacy and to 501(c)(4) organizations that provide $10,000 to PACs for political spending in a given year.

Recommendations for Nonprofit Organizations


2. Consider starting an aligned PAC that can serve as the recipient for political contributions. This will allow your 501(c)(3) to preserve donor anonymity while having an affiliated organization to receive political funds and conduct political spending. See “The Connection: Strategies for Creating and Operating 501(c)(3)’s, 501(c)(4)’s, and Political Organizations” by Bolder Advocacy, available at https://goo.gl/a2lFmv

3. If you plan to engage in campaign spending over $25,000, consult with your legal counsel and accountant to determine that you are set up to track and report the necessary disclosures to the Public Disclosure Commission.

4. If you plan to engage in ballot measure campaign spending over $25,000 through your 501(c)(3), inform your $10,000+ donors about the new law and explain to them that there is a possibility they will be publicly identified as supporting your ballot measure work.