



State of Washington

PUBLIC DISCLOSURE COMMISSION

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July 17, 2020

Sent electronically to Glen Morgan at glen@wethegoverned.com and Kevin Schofield at kevinsch@sccinsight.com

Subject: Complaints regarding Tax Amazon 2020, PDC Case 65022

Messrs. Morgan and Schofield:

The Public Disclosure Commission (PDC) has completed its investigation of your complaints received on February 11, 2020 against Tax Amazon 2020 (Committee). Your complaints alleged that the Committee committed violations of RCW 42.17A in the 2020 election year.

Specifically, your complaints alleged that the Committee may have:

1. Failed to timely file a Committee Registration (C-1pc) report (RCW 42.17A.205).
2. Failed to file timely Monetary Contribution reports (C-3 reports) and Summary Full Campaign Contribution and Expenditure reports (C-4 reports) – RCW 42.17A.235 and .240. You provided links and attachments to the Committee's website depicting the donation page, including the City of Seattle's reimbursements related to the production of flyers and posters associated with the Committee, to document the alleged violations.

RCW 42.17A.205 requires political committees to file a Committee Registration report with the Commission within two weeks of organization or its expectation of receiving contributions or making expenditures in any election campaign. The Committee Registration is required to include the name, address, and electronic contact information of its treasurer and depository, and the names, addresses, and titles of the committee's officers.

RCW 42.17A.235 and .240 require candidates, single election political committees, and continuing political committees to file timely, accurate reports of contributions and expenditures. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election in which the committee makes expenditures, and in the month following the election. Contributions are reported weekly during this same period, and must be disclosed each Monday for contributions deposited during the previous seven days.

PDC staff reviewed your complaints, the response from the Committee, and the appropriate reports filed by the Committee with the PDC.

As a result of the investigation, staff found the following:

Alleged failure to timely file a Committee Registration (C-1pc) within two weeks of receiving contributions towards the 2020 election year, and for failing to report committee officers (RCW 42.17A.205).

- The Committee had the expectation of receiving contributions in support of a ballot initiative intended for the November 2020 ballot, on or shortly after the initial launch of the Committee at the Washington Hall in Seattle on January 13, 2020. At the meeting, the Committee Co-chair, Councilmember Kshama Sawant stated ... “our immediate task is to file a ballot initiative for the November ballot.” Additionally, on the day of the official kickoff meeting, the Committee’s website clearly displayed a button for donations/contributions. The Committee’s Registration (C-1pc) was due no later than January 27, 2020, and was filed 52 days late on March 19, 2020.
- In its response to the complaints, received on February 27, 2020, the Committee, by way of Ms. Metz, stated... “Tax Amazon has not violated RCW 42.17A.205 because there is no existing ballot proposition. Tax Amazon has brought together community members, unions, and community organizations to discuss potential strategies for taxing big business, with community members democratically deciding the general tenets of an initiative measure that might be put forward. A ballot proposition has not been filed with any election officer, has not been circulated for signatures, and does not exist at this time. Thus, Tax Amazon as of this date has not had the expectation of receiving contributions or making expenditures in support of one, as would be required in order for Tax Amazon to be deemed a political committee as defined in RCW 42.17A.005(40).”

Alleged failure to file timely C-3 and C-4 reports (RCW 42.17A.235 and .240).

- In its registration, the Committee selected the “Full Reporting” option.
- C-3 and C-4 reports are required to be filed on the date of the committee’s registration (March 19, 2020) disclosing “all contributions received and expenditures made prior to that date, if any.” On April 10, 2019, the Committee filed its C-3 and C-4 reports disclosing contributions and expenditures for the month of March 2019, and is currently reporting the required contribution and expenditure reports.
- In its response to its February 27, 2020 allegation, the Committee, by way of its Treasurer, Eva Metz, stated... “As no ballot proposition exists, there is no political committee to register and therefore there are no contributions or expenditures to report.”

Staff also reviewed whether the Committee engaged in grassroots lobbying, as defined in RCW 42.17A.640, and found no such evidence.

Pursuant to WAC 390-37-060(1)(d), Tax Amazon 2020 will receive a formal written warning concerning the Committee’s failure to timely file a Committee Registration (C-1pc) as required by law. Staff’s conclusion concerning the Committee’s failure to timely register and report was based on the Commission’s Declaratory Ruling No. 3, issued March 25, 1980, in which the Commission ruled that a group seeking incorporation of a city had an “expectation” of receiving and/or expending monies to assist its efforts to have a matter placed on the ballot, and therefore a requirement to register and report, even though a ballot proposition did not yet exist. The Commission made its ruling because the group was organized for the purpose of encouraging a vote by the people, it had publicly announced its intention to seek the incorporation of a city, and it had solicited the general public to provide financial

assistance and volunteer help in order to accomplish its purpose. The Commission rejected the group's contention that no reporting was required until a ballot proposition existed, and declared the group to be a political committee subject to the registration and reporting requirements of the law. The Commission will consider the formal written warning in deciding on further Commission action if there are future violations of PDC laws or rules.

Because staff's investigation did not find evidence of violations warranting enforcement action beyond the Formal Written Warning described above, I am dismissing the remaining alleged violations in your complaint in accordance with WAC 390-37-070.

If you have questions, you may contact Erick Agina, Compliance Officer, at (360) 753-1111, toll-free at 1-877-601-2828, or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Electronically Signed Peter Lavallee

Peter Lavallee
Executive Director

cc: Eva Metz, Treasurer, Tax Amazon 2020