

HOUSE BILL REPORT

HB 1474

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to collecting fees to accommodate electronic filing and disclosure of campaign finance reports.

Brief Description: Providing for electronic filing and disclosure of campaign finance reports.

Sponsors: Representative Moeller.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 1/11/12, 1/12/12 [DP2S].

Brief Summary of Second Substitute Bill

- Requires lobbyists, lobbyist employers, and government entities to file lobbying reports over the Internet.
- Assesses a yearly fee to political committees, lobbyists, lobbyist employers, government entities, and elected officials that receive a salary and file personal financial disclosure statements.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Darneille, Dunshee, Hurst, McCoy and Miloscia.

Minority Report: Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander and Condotta.

Staff: Marsha Reilly (786-7135).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Public Disclosure Commission (PDC) was created and empowered by an initiative of the people to provide timely and meaningful public access to information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and to ensure compliance with contribution limits and other campaign finance restrictions.

In 1999 electronic filing was made available to candidates, public officials, and political committees for filing financial affairs reports, contribution reports, and expenditure reports. By 2002 electronic filing was mandatory. Electronic filing was made available to lobbyists and lobbyist employers for submitting their reports in 2002, although it is not mandatory. Electronic filing includes, but is not limited to, filing by diskette, modem, satellite, or over the Internet.

Funding was made available to the PDC in the fiscal year 2008 budget for a feasibility study to determine the cost to design, develop, implement, and maintain an application to accommodate electronic filing by lobbyists, lobbyist employers, and public agencies and a database and query system compatible with current computer architecture, technology, and operating systems.

Summary of Second Substitute Bill:

Electronic Filing.

Beginning January 1, 2013, agencies required to report lobbying expenditures must file all required reports to the PDC electronically over the Internet. By January 1, 2014, all lobbyists and lobbyists' employers required to report lobbying activities must file the required reports electronically over the Internet.

Annual Fees.

Beginning January 1, 2013, the following annual fees must be paid as follows:

- \$200 for political committees required to file reports;
- \$200 for every lobbyist whose reportable accrued compensation for lobbying was \$10,000 or more for the previous calendar year;
- \$200 for every lobbyist employer whose total reportable accrued expenses and payments for lobbying was \$10,000 or more for the previous calendar year;
- \$150 for government entities that employ 50 or more full time equivalent employees and are required to file reports; and
- \$200 for every elected official who receives a salary and is required to file personal financial affairs statements.

No person or individual must pay more than one fee in a calendar year.

The PDC is authorized to adopt rules and procedures to implement the program.

Account Created.

The Public Disclosure Electronic Filing Account (Account) is created in the custody of the State Treasurer. Receipts collected under the act must be deposited into the Account and may

be used only for costs incurred as a result of the design, development, implementation, and maintenance of computer hardware and software to accommodate electronic filing and a database and query system compatible with current systems that result in readily available data to the public for review and analysis. Only the Executive Director of the PDC, or his or her designee, may authorize expenditures from the Account. The Account is subject to allotment procedures, but an appropriation is not required for expenditures.

Second Substitute Bill Compared to Original Bill:

The second substitute bill changes the dates that electronic filing must begin. The one-time fee assessment for lobbyists and lobbyist employers is removed. The fee requirement for those who file personal financial affairs statements is limited to elected officials who receive a salary. Only lobbyists making \$10,000 or more in a year or lobbyist employers with expenses and payments for lobbying of \$10,000 or more in a year are required to pay the annual fee.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect January 1, 2013.

Staff Summary of Public Testimony:

(In support) This is an accountability issue about following the money. It provides an opportunity for a searchable database for reports made by lobbyists and lobbyists' employers. Currently, one would have to go through every report to find information. The one-time fee establishes the software, and ongoing fees will maintain the software and the hardware.

Lobbying done on behalf of clients should be open to public scrutiny. The public has a right to know what is done and that it is legal and appropriate. The PDC is doing the best that they can with what they have. The current system is outdated and the ability to search is not available. This fee can be absorbed and is a small charge. Washington is one of the few states that has no fees for this service.

This information should be available. However, many of the folks who register as lobbyists receive no money and register with the PDC. There should be some flexibility to accommodate citizen lobbyists and nonprofits.

(Neutral) The PDC is neutral. Concerns that were voiced last year related to the fee required for those who file personal financial affairs statements, particularly those who are not paid, such as members of boards and commissions. The information for lobbyists is available, but one would have to go through each report to find information. It is not searchable in a database.

(Opposed) None.

Persons Testifying: (In support) Representative Moeller, prime sponsor; Steve Gano, Gano and Associates; and Lonnie Johns-Brown.

(Neutral) Andrea McNamara Doyle.

Persons Signed In To Testify But Not Testifying: None.