

# SENATE BILL REPORT

## SB 5684

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As Reported By Senate Committee On:  
Law & Justice, March 1, 1995

**Title:** An act relating to public disclosure.

**Brief Description:** Consolidating and revising public disclosure laws.

**Sponsors:** Senators Smith, Winsley, Gaspard, Oke, Wood and Hale; by request of Public Disclosure Commission.

**Brief History:**

**Committee Activity:** Law & Justice: 2/13/95, 3/1/95 [DPS].

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### SENATE COMMITTEE ON LAW & JUSTICE

**Majority Report:** That Substitute Senate Bill No. 5684 be substituted therefor, and the substitute bill do pass.

Signed by Senators Smith, Chair; C. Anderson, Vice Chair; Hargrove, Haugen, Johnson, Long, McCaslin, Quigley, Rinehart, Roach and Schow.

**Staff:** Martin Lovinger (786-7443)

**Background:** The Public Disclosure Commission (PDC) is charged with enforcement of laws related to public records, campaign financing, lobbyist registration and reporting, political advertising, reporting of financial affairs of public officials, and campaign contribution limitations. In exercising its enforcement authority, the PDC often becomes aware of problems and concerns with existing law that can be addressed by amending the law. These changes can range from very minor technical changes to significant policy adjustments.

The types of problems identified by the PDC include multiple definition sections with different definitions for the same word or phrase, different restrictions for candidates for state or local office, the need for clarification of a number of procedures, the need to simplify some operating procedures, the elimination of unnecessary reporting requirements, and addressing technological changes.

**Summary of Substitute Bill:** The three existing definition sections in public disclosure statutes are merged and amended. The definition for "caucus of the state legislature" is replaced by a definition for "caucus political committee," which replaces "caucus of the state legislature" throughout this chapter. "Contribution" does not include legal or accounting services donated to a political party, caucus political committee, or a candidate. " Gift" is defined the same as in the ethics statutes.

Campaigns must file only a weekly report on contributions deposited in a bank, instead of every time a deposit is made. The PDC must allow filer participation in any PDC system designed for electronic filing of reports.

Only the name and address is required for each person who has contributed \$100 or more to a campaign. Unnecessary reporting requirements for contributions, expenditures, and gifts are deleted.

Electronic filing of reports is permitted. The file transfer date is the received date for electronic filing.

The late contribution limit does apply to county central committees and legislative district committees.

The PDC is required to publish the lobbyist pictorial directory every two years instead of annually.

Detailed staff and salary reports must be provided by the Legislature annually.

Elected officials and state officers must certify with their financial affairs statement that they are aware of the prohibitions on use of public facilities.

Gifts to the spouse or children of state officials and employees are attributable to the official or employee unless an independent relationship exists between the giver and the spouse or child.

Members of the Executive Ethics Board, the Legislative Ethics Board, and the Commission on Judicial Conduct must file financial affairs statements.

The PDC procedure for renewing reporting modifications is simplified. The PDC must deal with questions of legislative intent on a case-by-case basis applying standard rules of statutory interpretation, rather than by rule.

Sponsor identification is required only on the first page of political advertizing rather than on every page. Language is added that clarifies that the top five contributors must be listed when the advertizing is an independent expenditure by a sponsor other than a party organization. Sponsor identification does not have to appear in a printed box.

The contribution limit from caucuses and political parties is based on the number of eligible voters in a jurisdiction at the time of the most recent election. Voter education and get out the vote activities, operational expenses, personnel costs for exempt activities, and party expenditures for a slate of three or more candidates are exempt from contribution limits.

The legislative caucuses must designate for the PDC by July 1, 1995, the caucus political committee. It may be a political committee that already exists and may receive transferred funds from an existing political committee organized and maintained a legislative caucus. The caucus political committee may establish two accounts. One is a contributions account which is subject to contribution limits. The other is an exempt activity account which is not subject to contribution limits.

Two or more entities are treated as one, if one is a subsidiary or branch of the other.

The full amount of a loan to a campaign for any public office is attributed as a contribution to both the lender and guarantor. The requirement that a loan must be secured or guaranteed in order to not be subject to contribution limits is deleted.

The prohibition against state officials soliciting funds within a government agency for a candidate, political party or political committee is extended to local officials and public employees.

The prohibition on soliciting money in return for media support applies to candidates for all public offices.

Reimbursing another person for a contribution to a candidate for any public office is prohibited.

Contributions must be disposed of as surplus funds if the candidate for any public office wants to use the funds for a campaign for a different office than the one for which they were solicited and the contributor does not give permission.

Internal communications, volunteer services, and incidental expenses, not to exceed \$50, personally paid by volunteer campaign workers are excluded from the definition for independent expenditure.

Ethics boards are required to define measurable expenditure with regard to use of public facilities for political purposes.

Elected officials and executive state officers are required to report gifts in the form of food and beverage that exceeds \$50 on a single occasion to an elected official or executive state officer or immediate members of the family.

Surplus campaign funds may be transferred without limit to the caucus political committee. Surplus funds may also be used for nonreimbursed office related expenses.

**Substitute Bill Compared to Original Bill:** The original bill specified that contributions that remain unspent after a primary election are not surplus funds if the candidate is a candidate in the general election.

In addition the original bill contained only the following provisions, all of which have been incorporated in the substitute bill:

Three definition sections, which include different definitions for some terms, are merged into one section. An accidental reference in the definition of "gift" to the code section governing public office funds, which was repealed by Initiative 134, is deleted.

The restrictions against unfair campaign practices and the broader definition of "contribution" in Initiative 134, but not the contribution limits, apply to all candidates for office.

When a contributor refuses to give permission to a candidate to use the contribution for a campaign for a different office, the contribution must be disposed of as surplus funds.

The contribution limit from caucuses and political parties is based on the number of eligible voters in a jurisdiction at the time of the most recent general election.

A report on contributions deposited in the bank is only required weekly, instead of every time a deposit is made.

Members of the Executive Ethics Board, Legislative Ethics Board, and Commission on Judicial Conduct are required to file financial affairs statements. The ethics boards, rather than the PDC, are authorized to adopt by rule for state officials and employees a definition of measurable expenditure with regard to use of public facilities for political purposes.

Sponsor identification is required on the first page of political advertising rather than on every page.

The PDC is authorized to implement an electronic filing program.

The PDC is required to publish the lobbyist pictorial directory every two years instead of annually.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and section 14 takes effect on July 1, 1995. The remainder of the bill takes effect on December 1, 1995.

**Testimony For:** This bill will simplify some reporting requirements, better incorporate the provisions of Initiative 134 with other public disclosure statutes, and make PDC operations more efficient.

**Testimony Against:** None.

**Testified:** Melissa Warheit, Executive Director, PDC (pro); Vicki Rippie, PDC (pro); Carolyn Van Noy, Executive Director, Seattle Ethics and Elections Commission (pro); Chuck Sauvage, Common Cause.