

SENATE BILL REPORT

SB 6249

As Reported By Senate Committee On:
Law & Justice, February 1, 1996
Ways & Means, February 6, 1996

Title: An act relating to campaign finance reform.

Brief Description: Reforming campaign financing.

Sponsors: Senators Quigley, Smith and Goings.

Brief History:

Committee Activity: Law & Justice: 1/17/96, 2/1/96 [DPS]
Ways & Means: 2/5/96, 2/6/96 [DP2S].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6249 be substituted therefor, and the substitute bill do pass.

Signed by Senators Smith, Chair; Fairley, Vice Chair; Goings, Hargrove, Haugen, Quigley and Schow.

Staff: Martin Lovinger (786-7443)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6249 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Fraser, Hargrove, Kohl, Pelz, Quigley, Sheldon, Snyder, Spanel, Sutherland and Wojahn.

Staff: Steve Jones (786-7440)

Background: In 1992, Washington voters approved Initiative 134, which imposed limits on campaign contributions to candidates for state office. The stated purposes of the initiative were (1) to give individuals and interest groups equal opportunities to influence elective and governmental processes, (2) to reduce the influence of large organizational contributors, and (3) to restore public trust in governmental institutions and the electoral process.

Some groups interested in campaign issues feel that Initiative 134 has not achieved these goals, in part, because no limit has been placed on campaign spending, which allows special interests to continue unduly influencing the legislative process. This perception also works to discourage people of modest means from seeking public office.

Summary of Second Substitute Bill: Voluntary campaign expenditure limits are established for candidates seeking state office, and candidates must indicate whether they accept or reject such limits.

The initial expenditure limits are as follows:

Governor: \$1,000,000
All other state executive offices: \$250,000
State senator: \$80,000
State representative: \$50,000

The Public Disclosure Commission (PDC) is authorized to adjust expenditure limits as needed to reflect economic changes.

Candidates for state office, and public officials and political committees participating in recall campaigns, are prohibited from accepting campaign contributions that exceed specified levels. Contribution limits from parties and political caucuses are reduced.

Applicable contribution limits vary depending on whether the participant has accepted voluntary expenditure limits. Anyone who fails to accept voluntary expenditure limits may only accept 10 percent of the otherwise maximum allowable contribution.

Political parties and state legislative caucuses may not accept contributions from individuals that exceed specified levels.

A political committee that intends to support or oppose only one candidate or ballot measure, or to contribute or spend 50 percent or more of its funds on behalf of one candidate or ballot measure must include the name of the candidate or ballot measure in the name of the committee. The PDC must notify the candidate of the formation and intent of the committee.

Civil remedies and sanctions are provided for candidates who accept, and then exceed, expenditure limits. Certain expenditures that do not apply to the spending limit are specified.

Only candidates, state officials against whom recall charges are filed, political parties, and caucus political committees may contribute more than \$500 per year to a political committee other than a political committee of a candidate or state official against whom recall charges have been filed, a political party, or a caucus political committee.

In most cases the prohibition for illegal contributions is shifted to the candidate or committee that accepts the contribution instead of the contributor.

For-profit corporations are only allowed to make campaign contributions through a political action committee. Contributions and independent expenditures by a political action committee associated with a corporation can only be made with funds contributed by stockholders, officers, directors, and managers of the corporation.

Voters' pamphlets are required to indicate whether or not candidates accept the voluntary spending limits. This may be indicated by a symbol or logo, to be designed by the Secretary of State.

Political advertising by a candidate who does not accept the spending limits must include the statement "This candidate has refused to accept voluntary spending limits".

Under certain circumstances the courts or Legislature can declare an election void.

The use of campaign funds to pay fines under this act is prohibited.

A person who makes an unlawful independent expenditure because of encouragement, approval or collaboration of a candidate is subject to a penalty of up to three times the amount of the unlawful expenditure.

A candidate may not accept or spend any contributed funds before designating the office to which the candidate is seeking election. When a candidate running for one office switches to campaign for a different office, he or she must return any unspent contributions for the campaign for the first office pro rata to the contributors or, if unable to do so, must contribute the unspent funds to charity.

Second Substitute Bill Compared to Substitute Bill: The second substitute allows the use of a symbol or logo in the voters' pamphlet to indicate acceptance of the voluntary spending limits.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Law & Justice): None.

Testimony Against (Law & Justice): None.

Testified (Law & Justice): No one.

Testimony For (Ways & Means): The use of a symbol or logo in the voters' pamphlet will not increase the number of pages in the pamphlet, thereby saving printing and mailing costs.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Don Whiting, Assistant Secretary of State (neutral).