

SENATE BILL REPORT

SB 5776

As Reported By Senate Committee On:
Government Operations, March 4, 1997
Ways & Means, March 10, 1998

Title: An act relating to public disclosure.

Brief Description: Revising the public disclosure law.

Sponsors: Senators McCaslin, Swecker, Anderson, Schow, Deccio, Morton and Hochstatter.

Brief History:

Committee Activity: Government Operations: 2/25/97, 3/4/97 [DPS-WM].
Ways & Means: 3/10/98 [DPS (GO)].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5776 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson and Horn.

Minority Report: Do not pass.

Signed by Senators Patterson and Swanson.

Staff: Genevieve Pisarski (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Majority Report: That Substitute Senate Bill No. 5776 as recommended by Committee on Government Operations be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Hochstatter, Long, McDonald, Roach, Rossi, Schow, Swecker, Winsley and Zarelli.

Background: The Public Disclosure Commission (PDC) is charged with enforcement of laws related to public records, campaign financing, lobbyist reporting, and campaign contribution limitations among other things. In exercising its enforcement authority, the PDC often becomes aware of problems, some of which can be addressed by amending the law. These changes can range from very minor technical changes to significant policy adjustments. While many proposals to change the public disclosure laws come from the PDC, some proposed changes are brought forth by others who are also concerned with the operation of these laws.

The proposals include amending confusing definitions, maintaining a quorum on the PDC, simplifying some reporting procedures, clarifying limits on contributions from and to political parties, changing time periods for receiving campaign contributions, restricting some campaign contributions, mandating the PDC to hire outside counsel, and clarifying the authorization required for political campaign use of withheld salary or wages.

Summary of Substitute Bill: The definition of "election cycle" is changed to a period based on the calendar year. The definition of "general election" is changed to the election held on the first Tuesday after the first Monday in November.

The requirement to file special reports within 48 hours of large contributions received in the period just prior to elections is eliminated.

A member of the PDC whose term has expired may continue to serve until his or her replacement is appointed.

The losing candidate in a primary has until 12 months after the election cycle ends to raise contributions to pay off campaign debts. No funds can be accepted in violation of the freeze during the legislative session.

All contributions made by persons or political committees are considered made by the same person or entity if the administration, solicitation, contribution, or expenditures of the contributions is coordinated by one trade association or labor organization.

No money withheld from an employee's salary or wages may be used for a political contribution without a prior written request from the employee or written authorization from the employee pursuant to written notice of that possible use. The authorization is valid for 12 months. The recipient of the withheld funds must maintain copies of the written notification and authorization.

No foreign government, business, association, or organization, or person outside the United States may make a campaign contribution or expenditure. No person may solicit or accept a campaign contribution from a foreign government, business, association, or organization, or person outside the United States. No foreign government, business, association, or organization, or person outside the United States shall exercise control over any person or entity with regard to political campaigns.

The statute requiring lobbyists to provide to recipients of contributions copies of monthly PDC reports of those contributions is repealed.

Substitute Bill Compared to Original Bill: The original bill required PDC to employ outside counsel, prohibited campaign contributions from Indian tribes, prohibited soliciting campaign contributions from Indian tribes, and allowed a PDC member whose term expired to serve until the new appointee was confirmed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Allowing a PDC member whose term has expired until the new member is appointed will help PDC to maintain a quorum. Amending the definition of general election– will eliminate some confusion.

Testimony Against: Some changes appear to be technical, but create possibilities for abuse. Abolishing late reporting requirements will conceal large contributions that can seriously affect elections at the last minute. The written authorization requirements for pay deductions by labor unions are discriminatory, since the same restrictions don't apply to shareholders of corporations. The written authorization is unduly burdensome since it would take all the money the union raises to obtain the documents. This provision is part of a coordinated national effort to deprive working families of a voice in election campaigns. The bill ignores explosive growth of PACs. This bill creates an uneven playing field and targets some groups out of favor with the current majority. The bill is unfair to citizens who are also members of Indian tribes. Members of Indian tribes must participate in the election process to protect their rights.

Testified: Melissa Warheit, PDC Executive Director (con); Mike Ryherd, Teamsters (con); James Oswald, Labor Council (con); John Wyble, Citizen Action (con); John McCoy, Tulalip Tribes (con); Randy Scott, Quinault Indian Nation (con); Diane Nelson, political consultant, Colville Confederated Tribes (con); Steve Wehrly, Muckleshoot Tribe (con); Sonny Bargala, Muckleshoot Tribe (con); Rick Bender, Washington Labor Council (con).