

HOUSE BILL REPORT

HB 2138

As Reported By House Committee On:
State Government

Title: An act relating to duties of the public disclosure commission.

Brief Description: Adjusting campaign reporting thresholds.

Sponsors: Representative D. Schmidt.

Brief History:

Committee Activity:

State Government: 2/23/99, 3/2/99 [DPS].

Brief Summary of Substitute Bill

- Somewhat modifies contribution amounts necessitating detailed reporting or special reporting to the Public Disclosure Commission and corrects conflicting provisions on contribution limitations.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Campbell, Republican Vice Chair; Miloscia, Democratic Vice Chair; Dunshee; Haigh; Lambert and D. Schmidt.

Staff: Steve Lundin (786-7127).

Background:

A number of requirements exist for making reports to the Public Disclosure Commission (PDC), including a requirement for candidates to report on contributions received, as well as a requirement for political committees to report large contributions that they make.

Each candidate, or the authorized committee of each candidate, for state or local office must keep records of contributions they receive and make periodic reports to

the PDC on contributions received during the reporting period. Pledges in the aggregate of less than \$100 from a single person do not need to be reported. Contributions of \$25 or less need only be reported as one lump sum. The name and address of the contributor, and amount of the contribution, must be provided for contributions from one person that in the aggregate are in excess of \$25. Rules adopted by the PDC require that a contributor's employer and occupation be reported for contributions in the aggregate of \$100 or more.

Special reports are also required to be filed with the PDC during special reporting periods as follows:

- A candidate must file a special report if the candidate receives any contribution, or aggregate of contributions, from a single person or entity exceeding \$500 if the contribution was received seven or fewer days before a primary or 21 or fewer days before a general election; and
- A political committee must file a special report if it makes a contribution, or an aggregate of contributions, to a single entity exceeding \$500 seven or fewer days before a primary or 21 or fewer days before a general election.

Public disclosure laws are in conflict over contribution limitations. Old laws preclude a candidate for a statewide office from accepting contributions from a single person that in the aggregate exceed \$50,000 within 21 days of a general election and preclude all other candidates for state or local office from accepting contributions from a single person that in the aggregate exceed \$5,000 within 21 days of a general election. However, newer provisions of Initiative Measure 134 (I-134) preclude a statewide candidate from receiving contributions in the aggregate from a single person in excess of \$1000 and legislative candidates from receiving contributions in the aggregate from a single person in excess of \$500. These restrictions do not include other limitations on contributions from bona fide political parties and caucus political committees. The I-134 contribution limitations are required to be adjusted for inflation every two years.

Summary of Substitute Bill:

Requirements for detailed reporting of contributions and pledges are altered. A pledge of more than \$100, rather than \$100 or more, must be reported. A contributor's occupation and employer may not be required to be reported unless the contribution or aggregate of contributions from the contributor are in excess of \$100.

The size of a contribution from a single person or entity during a special reporting period, that necessitates the filing of a special report to the PDC, is changed from an amount in excess of \$500 to the maximum aggregate amount that a person, other than

a bona fide political party or a caucus political committee, may contribute to a legislative candidate. This new amount is \$500 with the required adjustments for inflation that are made by the PDC.

The size of a contribution from a political committee during a special reporting period, that necessitates the political committee to file a special report to the PDC, is changed from an amount in excess of \$500 to the maximum aggregate amount that a person, other than a bona fide political party or a caucus political committee, may contribute to a legislative candidate. This new amount is \$500 with the required adjustments for inflation that are made by the PDC.

Old limitations on contributions within 21 days of a general election are altered to conform with the newer limitations on contributions established by I-134.

Substitute Bill Compared to Original Bill: The requirement for pledges to be reported is corrected if the pledge is in excess of \$100, rather than less than \$100. The restriction on reporting a contributor's occupation and employer was added. A reference was corrected. Conflicting provisions limiting contributions were corrected.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This is clarifying language. We support the bill, especially clarifying the conflicting provisions on contribution limitations. Candidates get confused with the conflicting provisions.

Testimony Against: None.

Testified: Melissa Warheit, Public Disclosure Commission.