

SENATE BILL REPORT

E3SHB 1005

As Reported by Senate Committee On:
Governmental Operations, February 27, 2014

Title: An act relating to the public disclosure commission concerning responsibilities and funding.

Brief Description: Requiring certain campaign reports to be filed electronically.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Moeller, Wylie, Reykdal, Appleton, Ryu, Morrell, McCoy, Seaquist, Moscoso, Hudgins, Ormsby and Pollet).

Brief History: Passed House: 2/17/14, 97-0.

Committee Activity: Governmental Operations: 2/27/14 [DP-WM, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Roach, Chair; Hasegawa, Ranking Member; Conway, McCoy and Rivers.

Minority Report: Do not pass.

Signed by Senator Dansel.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton, Vice Chair.

Staff: Samuel Brown (786-7470)

Background: The Public Disclosure Commission (PDC) is the state's campaign finance regulatory agency. It is empowered to provide timely 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. In

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2013 the Legislature passed SHB 1093, requiring state agencies to file all lobbying reports with the PDC electronically. 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, as well as a database and query system compatible with current computer architecture, technology, and operating systems.

Summary of Bill: Beginning January 1, 2016, all lobbyists and lobbyists' employers required to report lobbying activities must file the required reports electronically over the Internet.

The PDC must design, develop, implement, and maintain computer hardware and software or other applications and a database and query system compatible with current architecture, technology, and operating systems to accommodate electronic filing of lobbying reports.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Right now, about two-thirds of the 900 registered lobbyists file reports electronically. Only one-quarter of lobbyist employers file reports electronically. A significant amount is spent on lobbying in Washington. In January 2014, 900 lobbyists spent over \$4.7 million. Registered lobbyists earned over \$45.5 million and spent over \$53.8 million in 2013. The PDC supports funding this bill from the general fund, but requests a null and void clause because it does not have the current resources to take on this project. The House budget includes a proviso for funding this bill. The PDC's computer system is old, outdated, and clunky, and we have wanted to update it for years. It uses legacy software making it difficult to update. While we have good data we receive from lobbyists, it is not easily searchable because it is not available electronically, and the PDC does not have the staff capacity to manually enter data.

Sunshine is the best disinfectant, people need to know what lobbyists do and how they spend their money. The bill does mandate compatibility with current software and operating systems that are in widespread use. It would be cheaper and easier to file electronically. We are in a modern age, and it is important to have upfront and proper disclosure that people have ready access to. Some lobbyists have left behind the paper filing a long time ago.

Persons Testifying: PRO: Andrea McNamara Doyle, PDC; Bob Cooper, Evergreen Public Affairs; Steve Gano, Gano and Associates.