

HB 2938-S.E - DIGEST

(DIGEST AS ENACTED)

Finds that campaign finance laws are intended to provide maximum transparency to the public and voters so they may know who is funding political campaigns and how those campaigns spend their money.

Declares an intent to: (1) Simplify the political reporting and enforcement process; and

(2) Expedite the public disclosure commission's enforcement procedures so that remedial campaign finance violations can be dealt with administratively.

States that the public disclosure commission should be guided to review and address major violations, intentional violations, and violations that could change the outcome of an election or materially affect the public interest.

Makes appropriations for fiscal years ending June 30, 2018, and June 30, 2019, from the general fund-state account to the public disclosure commission solely for the purposes of administering the fair campaign practices act (chapter 42.17A RCW).

Creates the public disclosure transparency account.

VETO MESSAGE ON ESHB 2938

March 28, 2018

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 9 and 10, Engrossed Substitute House Bill No. 2938 entitled:

"AN ACT Relating to campaign finance law enforcement and reporting."

Section 9 addresses independent expenditure reporting requirements. Due to an inadvertent drafting error, Section 9 does not provide clear guidance regarding independent expenditure reporting requirements for ballot measures. I understand that the changes in this section were intended to eliminate the need to adjust disclosure thresholds for inflation in the future, and I appreciate that this unintended consequence was brought to my attention by the Attorney General and the proponents of the legislation. By vetoing Section 9, current law, which does provide adequate guidance regarding independent expenditure reporting requirements for ballot measures, will remain in place. I look forward to working with the Legislature on this issue in

the next legislative session. For these reasons, I am vetoing Section 9.

Section 10 addresses special reporting requirements for large contributions. I understand that the intent of this section was to simplify reporting requirements that shine a light on last minute large contributions. However, due to an inadvertent drafting error, proposed changes in this section could result in delayed reporting of some large expenditures made close to election day. Again, I appreciate that this drafting error was brought to my attention, and I understand that stakeholders will continue to work on this issue and propose a solution in the next legislative session. For these reasons, I am vetoing Section 10.

I encourage the Public Disclosure Commission to work closely with the Legislature and the Attorney General's Office (AGO) over the interim to clarify the role of the AGO as it relates to large and significant cases, to adopt rules that allow for expedited referrals to the AGO, and to draft agency-request legislation to be introduced next session that will make necessary improvements to the new statute.

For these reasons I have vetoed Sections 9 and 10 of Engrossed Substitute House Bill No. 2938.

With the exception of Sections 9 and 10, Engrossed Substitute House Bill No. 2938 is approved.

Respectfully submitted,
Jay Inslee
Governor