

SENATE BILL REPORT

SB 6112

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 8, 1994

**Brief Description:** Making changes to the campaign practices law.

**SPONSORS:** Senators Drew, McCaslin, Gaspard, Snyder, Fraser, Franklin, Quigley, Sheldon, Bauer, Owen, Spanel, Pelz, M. Rasmussen and Winsley; by request of Commission on Ethics in Government & Campaign Financing, Governor Lowry and Attorney General

**SENATE COMMITTEE ON LAW & JUSTICE**

**Majority Report:** That Substitute Senate Bill No. 6112 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Nelson, Niemi, Quigley, Schow and Spanel.

**Staff:** Marty Lovinger (786-7443)

**Hearing Dates:** January 27, 1994; February 3, 1994

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Second Substitute Senate Bill No. 6112 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Gaspard, Hargrove, Ludwig, Pelz, Snyder, Spanel, Sutherland, Talmadge, Williams and Wojahn.

**Minority Report:** Do not pass substitute.

Signed by Senators Cantu, Hochstatter, McDonald, Moyer and West.

**Staff:** Steve Jones (786-7440)

**Hearing Dates:** February 7, 1994; February 8, 1994

**BACKGROUND:**

In 1993, the Legislature enacted a law establishing a Commission on Ethics in Government and Campaign Practices. This legislation was in response to the reported illegal use of legislative staff for campaign purposes and other concerns with ethical standards for both campaign practices and state employment.

The commission was charged to "study, hold public meetings, take public testimony, and make recommendations on the need and appropriate scope of legislation necessary to: (a) promote public trust and confidence in government; (b) promote fair

campaign practices; and (c) ensure the effective administration of public disclosure, conflict of interest, and ethics laws."

Legislation was drafted to implement the recommendations of the commission. This legislation has been introduced in the form of two bills, one focused on campaign and public disclosure commission reform and one focused on state employee ethics issues.

The issues with regard to campaign practices and the Public Disclosure Commission include the use of public resources for political campaigns, the size and responsibilities of the Public Disclosure Commission, campaign contribution and expenditure limits, fair campaign practices, the use of public office funds, lobbyist registration and reporting, legislative staff and organization, and candidates' and voters' pamphlets.

**SUMMARY:**

The original bill was not considered.

**EFFECT OF PROPOSED SUBSTITUTE:**

The prohibition on use of public resources for political campaigns is tightened. Knowing acquiescence by a superior of an official or employee who uses public facilities in violation of this prohibition also constitutes a violation.

Agencies and officials and employees of any agency are prohibited from disbursing public funds as dues or fees to entities which use any portion of the dues or fees to support or oppose ballot propositions.

Detailed staff and salary reports from the Legislature to the Public Disclosure Commission (PDC) are required annually.

Elected officials and state officers must certify with their financial affairs statements that they have read and are familiar with the prohibitions on use of public facilities.

Gifts to the spouse or children of state officials and employees are attributable to the official or employee for reporting purposes unless the donor has an independent business, family, or social relationship with the spouse or child.

The membership of the PDC is increased to seven from five. Nominations do not have to be confirmed by the Senate unless requested by the appropriate standing committee within 60 days of notice of the nomination.

The exemption from reporting for candidates and elected officials in political subdivisions with less than 1,000 registered voters is eliminated.

The PDC is required to collect a fee from candidates, political committees, and lobbyists to be used for a campaign

education fund. The fee cannot exceed \$50 and is to be collected once per campaign cycle from candidates and committees and once annually from lobbyists.

The statute on limitations under this chapter is increased to seven years from five.

The requirement that a loan to a political campaign be secured or guaranteed in order to not be subject to contribution limits is eliminated.

The prohibition against using campaign funds for an office other than the one for which the funds were raised without the written approval of the contributor applies whether the funds are surplus or not.

Internal communications, volunteer services, and incidental expenses, not to exceed \$50, personally paid by volunteer campaign workers are excluded from the definition for independent expenditure.

Campaign contribution reports must contain only the name and address of each contributor of an amount over \$100. Candidates and political committees must return contributions from persons who fail to provide the required reporting information within 30 days of receipt, or the end of the election cycle, whichever comes first.

Bona fide political parties, except for county central committees and legislative district committees, are exempt from the prohibition on making contributions of more than \$50,000 for a statewide office or \$5,000 for any other campaign within 21 days of a general election.

The amount the state political parties can contribute to candidates is reduced from 50 cents per registered voter to 10 cents. The amount county and legislative district parties can contribute is reduced from 25 cents per registered voter to 5 cents. The amount the legislative caucuses can contribute through their respective political committees is reduced from 25 cents per registered voter to a total of \$1,000 per legislative candidate and from 50 cents per registered voter for statewide offices to a total of \$2,000 to a candidate for state office.

A person who has made an independent expenditure for or against a candidate may not make a direct contribution during the same election cycle to a candidate for the same office. This same rule applies to recall campaigns.

Local governments are permitted to use public funds to finance campaigns for local offices. Local agencies are permitted to establish local elections fair campaign practices.

A study is required of public financing of elections, spending limits, and variable contribution limits to be completed by December 1, 1995. The study is to be conducted by the Senate

Law and Justice and House State Government committees. It would also cover issues about use of the initiative process.

Advertizing by a candidate's political committee must be personally endorsed by the candidate.

A person conducting a poll for a candidate's campaign must identify the sponsor of the poll.

The law is amended to prohibit the use of either force or bribery to deter a voter from voting or to influence the voter's vote. In-kind services such as child care or transportation, which enable a voter to get to the polling place, are not prohibited.

The use of gifts and contributions to host foreign dignitaries or to pay for expenditures of legislators participating in the Pacific Northwest Economic Region Delegate Council, and the use of surplus campaign funds to pay for nonreimbursed public office related expenses are made exceptions to the prohibition on receiving contributions and gifts and maintaining them in a fund for nonreimbursed public office related expenses.

New, extensive reporting requirements for employee-lobbyists and contract-lobbyists, and additional requirements for lobbyist employers are provided. A separate registration is required from lobbyists for each employer who provides compensation for lobbying.

A person who spends more than \$2,500 on a special lobbying activity must report detailed information. A special lobbying activity is a single event such as a reception, a rally, a demonstration, a parade, a dinner or a mailing.

Activities by lobbyists or others whose input has been solicited by an agency regarding proposed rules of that agency are exempt from reporting requirements.

In the monthly periodic reports, lobbyists who have paid more than \$25 for entertainment shall list the amount actually expended on each person where calculable. The itemized listing of expenditures must include those items delivered by the lobbyist, in addition to those contributed by the lobbyist. Lobbyists must report each payment in excess of \$50 for seminars and educational programs or appearances of state officers or employees in their official capacity or for gifts of food and beverages. If the recipient is a state elected official or an immediate family member, lobbyists must provide a copy of the form filed to the official.

The Secretary of State must produce a voters' and candidates' pamphlet for state primaries. The secretary is permitted to make pamphlets in electronic format. If the pamphlet is produced in video format, close captioning must be used. Counties and first-class cities are also authorized to publish voters' pamphlets in electronic format.

The names of advocates for or against ballot measures must be printed in bold face capitals in the voters' pamphlet.

A description of PDC services must be included in the candidates' pamphlets.

A number of technical changes are made to address inconsistencies and errors in existing law.

**EFFECT OF PROPOSED SECOND SUBSTITUTE:**

The Secretary of State must distribute the primary voters' pamphlet within available financial resources.

**Appropriation:** none

**Revenue:** yes

**Fiscal Note:** available

**Effective Date:** December 1, 1994

**TESTIMONY FOR:**

The election process must be open and fair. Amending campaign laws will improve citizen attitude towards government. The bill reflects the desire not to tamper with I-134 as the will of the people. The technical corrections to I-134 are necessary to make it work properly. The goal is to prevent people from following the path to temptation. This bill allows local governments to offer public financing which can serve as a tradeoff to make necessary spending limits constitutional. Primary pamphlets are very important since some races are actually decided in primaries. If the costs of the primary pamphlet are an obstacle, the Legislature could authorize advertising in the voters' pamphlet.

**TESTIMONY AGAINST:**

The bill is not as strict as it should be. Some activities that are exempt from contribution limits should be restricted. The campaign education fee at PDC is burdensome on potential candidates. The fee is also a burden for the PDC. Officeholders should have to resign from one office before running for another. The disclosure requirements about contributors are an invasion of privacy. Public funds should not be used for local elections. Permitting public funds to be used for local elections goes against the will of the people as expressed in the vote for I-134. Publicly paid caucus staffs should be abolished.

**TESTIFIED:** Senator Drew, Senator McCaslin, Hubert Locke, Delores Teutsch, Ruth Schroeder, Sarah Chandler, Tsuguo Ikeda, Yvonne Conway, Governor's Commission on Ethics in Government and Campaign Practices (pro); Ralph Munro, Secretary of State (pro); Chuck Sauvage, Common Cause (pro); Shawn Newman, CLEAN; Paul Telford