

SENATE BILL REPORT

SB 5576

As Reported By Senate Committee On:
Law & Justice, March 1, 1995
Ways & Means, March 6, 1995

Title: An act relating to fair campaign practices.

Brief Description: Making changes to the campaign practices law.

Sponsors: Senator Drew; by request of Governor Lowry.

Brief History:

Committee Activity: Law & Justice: 2/13/95, 3/1/95 [DPS, DNPS].
Ways & Means: 3/3/95, 3/6/95 [DP2S].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5576 be substituted therefor, and the substitute bill do pass.

Signed by Senators Smith, Chair; C. Anderson, Vice Chair; Hargrove, Haugen, Quigley, and Rinehart.

Minority Report: Do not pass substitute.

Signed by Senators Johnson, McCaslin and Schow.

Staff: Martin Lovinger (786-7443)

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 was 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 ethics bill was enacted by the Legislature in 1994.

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 of Substitute Bill: The prohibition on use of local government resources for political campaigns is strengthened by making knowing acquiescence by a superior a violation of the prohibition. A comment or response to an inquiry regarding a ballot proposition by an elected official is not a violation of this prohibition under certain circumstances.

Local governments may use public funds to finance campaigns for local office.

Local agencies may establish fair campaign practices for local elections.

The use of force or bribery to deter a voter from voting or to influence the voter's vote is prohibited. In-kind services which enable a voter to get to the polling place are not prohibited.

Language that prohibits employers or labor organizations from demanding the appearance of political neutrality from their employees is deleted.

The Secretary of State must produce a voters' and candidates' pamphlet for state primaries. Pamphlets may be produced in electronic format. Close captioning is required if the pamphlet is produced in video format. Local governments may also produce local voters' pamphlets in electronic format.

The names of advocates for and against ballot measures must be printed in bold face capital letters in the voters' pamphlet. Candidates' pamphlets must include a description of PDC services.

An elected or reelected incumbent legislator may make one mailing after certification of the election results and before the beginning of the new term.

Substitute Bill Compared to Original Bill: The original bill did not address language that prevents employers and labor organizations from demanding the appearance of political neutrality from their employees. It also did not permit reelected incumbents to make one mailing after certification of the election, but before the new term begins.

The original bill also included the following:

Three current public disclosure definition sections are merged.

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 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 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 of limitations under this chapter is increased to seven from five years.

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

The prohibition against using campaign funds for an office other than the one for which the funds are 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 the occupation, employer, and spouse's employer of each contributor of an aggregate 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. Each caucus of the Legislature is limited to one political committee for purposes of contribution limits.

A person who makes an independent expenditure for a candidate or ballot proposition campaign may not make a direct contribution during the same election cycle to the same

candidate or ballot proposition committee. It is a violation for a person to accept a contribution if the person knows that the contribution violates this restriction.

A study is required of public financing of elections, spending limits, and variable contribution limits to be completed by December 1, 1996. The study is conducted by the Senate Law and Justice and House State Government committees, and also covers issues about use of the initiative process.

Advertising 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 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 pay more than \$25 for entertainment must 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.

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

Appropriation: None.

Fiscal Note: Requested on January 27, 1995.

Effective Date: The bill takes effect on December 1, 1995.

Testimony For: (original bill) This bill represents an effort to address comprehensively the issues around campaign practices. The goal is workable accountability. The more disclosure, the more honest the campaign. A primary voters' pamphlet is essential to an informed electorate. Public funding is the best way to control campaign spending. Public financing eliminates problems associated with independent expenditures. Allowing campaign funds to be used for nonreimbursed office expenses will increase accountability because expenditure reporting is required. This bill helps to educate elected officials and state employees.

Testimony Against: (original bill) The definition of gift in the ethics law should not replace the broader definition in public disclosure statutes. Increasing the size of the PDC will make it more difficult for the PDC to conduct business.

Testified: Senator Drew, prime sponsor (pro); Delores Teutsch, Co-chair, Commission on Ethics and Campaign (pro); Sarah Chandler, Commission on Ethics and Campaign Practices (pro); Melissa Warheit, Executive Director, PDC; Carolyn Van Noy, Executive Director, Seattle Ethics and Elections Commission (pro); Chuck Sauvage, Common Cause (pro).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5576 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Fraser, Gaspard, Hargrove, Pelz, Sheldon, Snyder, Spanel, Sutherland and Wojahn.

Staff: Steve Jones (786-7440)

Second Substitute Bill Compared to Substitute Bill: The candidate filing period is moved to the first week in June to allow time to prepare the primary candidate's pamphlet. The prescribed charges to candidates and space allocations in the voters' pamphlet are repealed.

Testimony For: None.

Testimony Against: None.

Testified: No one.