

SENATE BILL REPORT

SB 6667

As Reported By Senate Committee On:
Law & Justice, January 31, 1996

Title: An act relating to enforcement of public disclosure laws.

Brief Description: Increasing penalties for public disclosure violations.

Sponsors: Senators Quigley, Smith and Goings.

Brief History:

Committee Activity: Law & Justice: 1/30/96, 1/31/96 [DPS].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6667 be substituted therefor, and the substitute bill do pass.

Signed by Senators Smith, Chair; Fairley, Vice Chair; Goings, Hargrove, Haugen and Quigley.

Staff: Martin Lovinger (786-7443)

Background: The Public Disclosure Commission (PDC) has primary responsibility for enforcement of campaign finance laws. The Attorney General and local prosecuting authorities are allowed to enforce violations by filing civil actions in the name of the state. There is also a procedure for a citizen to file a civil action if no action is taken by the Attorney General or local prosecutor within 45 days of notice of the violation.

The PDC estimates that the rate of noncompliance with filing requirements is 5 percent. The PDC received over 56,000 filings in fiscal year 1994, which would mean approximately 2,800 filings were not in compliance. However, many of these are believed to be honest mistakes. Approximately \$37,000 in fines set by the PDC have not been collected. Between \$25,000 and \$30,000 of the uncollected fines are over a year old.

Summary of Substitute Bill: Courts may impose a late penalty of up to 100 percent of a civil penalty imposed for violation of campaign finance laws if the civil penalty is not paid in 90 days. Interest begins to accrue on civil penalties not paid within 90 days. If the civil penalty is unpaid after one year, courts must award the state reasonable costs and attorneys' fees.

A person who does not comply with sanctions issued for violation of campaign finance laws cannot appear on a ballot, register or receive compensation as a lobbyist, employ a lobbyist, or make lobbying expenditures. The PDC may suspend the registration of a lobbyist for noncompliance with sanctions.

A political committee may not solicit or accept contributions, or make expenditures, if the committee or an officer of the committee is not in compliance with court orders and sanctions.

The Attorney General must act on a complaint in cases where a violation of the campaign finance laws is reported and the local prosecuting authority fails to act within 90 days of the report.

The PDC must maintain a list of persons who are not in compliance with court orders and sanctions for violation of campaign finance laws. The PDC must provide this list to the Secretary of State and county auditors as needed.

The PDC must make an annual report to the Governor and Legislature regarding the disposition of complaints received or initiated by the PDC, enforcement actions taken by the PDC, and the effectiveness of the campaign finance laws and enforcement of them by law enforcement authorities.

Substitute Bill Compared to Original Bill: The substitute clarifies that the Attorney General must take action, but not necessarily file a civil suit, after a local prosecutor has failed to take action within 90 days after receiving a complaint. Some technical corrections are made. The PDC is required to maintain a list of those people not in compliance with court orders issued for violations of campaign finance laws.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Reducing orders to judgment is expensive and difficult to enforce even if the judgment is granted. The PDC has limited staff time and funding to pursue these small fines. The sanctions in this bill will help pressure people to comply. Respect for disclosure laws diminishes if there are no sanctions or if sanctions are not enforced.

Testimony Against: None.

Testified: Melissa Warheit, Executive Director, PDC (pro).