

HOUSE BILL REPORT

HB 1834

As Reported by House Committee On:
State Government, Elections & Information Technology

Title: An act relating to campaign finance reporting.

Brief Description: Concerning campaign finance reporting.

Sponsors: Representatives Dolan, Jinkins, Doglio and Ortiz-Self; by request of Public Disclosure Commission.

Brief History:

Committee Activity:

State Government, Elections & Information Technology: 2/8/17, 2/15/17 [DPS].

Brief Summary of Substitute Bill

- Changes the monetary threshold for political committees to file a special report for large single source contributions from \$1,000 to \$10,000.
- Makes out-of-state political committees subject to the same deadlines as in-state political committees.

HOUSE COMMITTEE ON STATE GOVERNMENT, ELECTIONS & INFORMATION TECHNOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hudgins, Chair; Dolan, Vice Chair; Koster, Ranking Minority Member; Volz, Assistant Ranking Minority Member; Appleton, Gregerson, Irwin, Kraft and Pellicciotti.

Staff: Sean Flynn (786-7124).

Background:

Washington's campaign finance and disclosure law was enacted by voter initiative in 1972. The law requires the disclosure of campaign finances, lobbyist activities, and financial affairs of elective officers and candidates. The Public Disclosure Commission (PDC) enforces the provisions of the campaign finance disclosure law. The PDC has the authority to develop

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procedures, adopt rules, investigate complaints, and enforce the laws relating to campaign disclosure and contributions, including civil penalties.

Under the campaign finance and disclosure law, political committees must file a statement of organization with the PDC. A political committee includes any entity organized to receive contributions and make expenditures to support or oppose any political candidate or ballot measure. Political committees must periodically report to the PDC on their contribution and expenditure activities. An initial report is due the same day the statement of organization is filed. Subsequently, reports are due 21 days and seven days before the election, one month after the election, and each month the committee receives or spends at least \$200. An out-of-state political committee must file a statement with the PDC when it makes an expenditure supporting or opposing a candidate or political committee in the state.

A political committee also must submit a special report each time it receives an aggregate contribution of \$1,000 or more during the period within 21 days before an election or within the period before a primary after the last report has been filed. After filing such a special report, an additional special report is due for each additional contribution of any amount from the same source during the special reporting period.

Persons unaffiliated with a political committee or candidate who make independent expenditures that pay for political advertising also must report to the PDC. The initial report is due within five days of making such any independent expenditure over \$100. Other reports are due 21 days and seven days before the election, one month after the election, and each subsequent month the person makes an independent expenditure.

Summary of Substitute Bill:

Political committees must file a special report when it receives a contribution over \$10,000 during the applicable periods immediately before an election. The monetary threshold does not include totaling the aggregate contributions from a single entity. Additional reports are not required for any subsequent contributions from the same source during the same special reporting period.

Out-of-state political committees are subject to the same reporting requirements as in-state political committees.

Substitute Bill Compared to Original Bill:

The changes in reporting dates are removed and the 21 and seven-day filing deadlines are restored.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The PDC disclosure laws include multiple reporting requirements. The PDC's informal review of all 2016 campaigns found that the reports that cause campaigns difficulty are the special reports due 21 days and seven days before the election. These dates predate electronic filing. If these dates are removed, the public will still be able to access campaign information. The PDC will still receive weekly reporting of contributions before the election. This also applies to out-of-state committees, keeping the playing field level.

(Opposed) None.

Persons Testifying: Representative Dolan, prime sponsor; and Evelyn Lopez, Public Disclosure Commission.

Persons Signed In To Testify But Not Testifying: None.