
**State Government, Elections &
Information Technology Committee**

SSB 5991

Brief Description: Increasing transparency of contributions by creating the Washington state DISCLOSE act of 2018.

Sponsors: Senate Committee on State Government, Tribal Relations & Elections (originally sponsored by Senators Billig, Fain, Palumbo, Miloscia, Hunt, Mullet, Carlyle, Frockt, Rolfes, Ranker, Darneille, Conway, Hasegawa, Pedersen, Nelson, McCoy, Takko, Saldaña, Cleveland, Wellman, Kuderer, Liias, Hobbs, Chase, Van De Wege, Keiser and Dhingra).

Brief Summary of Substitute Bill

- Requires certain nonprofit organizations participating in political campaign financing to report to the Public Disclosure Commission on its top contributors and its expenditures to political campaigns or groups.

Hearing Date: 2/7/18

Staff: Sean Flynn (786-7124).

Background:

Washington's campaign finance and disclosure law was originally enacted by voter initiative in 1972. The law requires the disclosure of campaign finance activity, lobbyist activity, and financial affairs of elective officers and candidates. The Public Disclosure Commission (PDC) enforces the provisions of the campaign finance disclosure law and has authority to develop procedures, adopt rules, investigate complaints, and impose civil penalties for violations.

The campaign finance and disclosure law requires all political committees that receive contributions and make expenditures to file a statement of organization with the PDC. The statement requires the disclosure of certain information, including the names and addresses of

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committee members, officers or leaders, and treasurer, as well as which candidates and ballot measures the committee supports or opposes.

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. Subsequent 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. A political committee also must submit a special report each time it receives a contribution of \$1,000 or more during the period immediately preceding an election.

Political committees and candidates are prohibited from receiving a single-source contribution over \$50,000 for a statewide office campaign within 21 days of a general election. The prohibition on single-source contribution limit within 21 days of an election is \$5,000 for other campaigns. Contributions from a bona fide political party are exempt from these restrictions.

Summary of Bill:

Certain reporting requirements under the campaign finance and disclosure law are created for "incidental committees," which is defined as any nonprofit organization, not otherwise reporting as a political committee, that makes political contributions or expenditures in political campaigns. An incidental committee must file a statement of organization with the PDC within two weeks after expecting to make contributions or expenditures of at least \$10,000 in a calendar year to an election campaign or political committee. After filing its statement of organization, the incidental committee must report to the PDC on its contribution and expenditure activities. The first report is filed with its statement of organization. Other reports are due 21 days and seven days before the election, and one month after the election.

Each report must disclose the following information:

- the top 10 largest payments that exceed an aggregate of \$10,000 in a calendar year;
- any single large single-source payments of \$100,000 per year; and
- any expenditure of \$50 or more made to an election campaign, political committee, or other incidental committee.

Incidental committees must file an additional report if there are any changes within the top 10 contributors or any single large contributor, as well as any political expenditures that exceed \$200 in the period since its last report. The PDC may suspend or modify the reporting requirements for an incidental committee in cases of manifestly unreasonable hardship. Contributions from an incidental committees are exempt from the single-source contribution limits within 21 days of a general election.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 4, 2018.

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