

SENATE BILL REPORT

SB 5108

As of January 26, 2017

Title: An act relating to contributions from political committees to other political committees.

Brief Description: Concerning contributions from political committees to other political committees.

Sponsors: Senators Billig, Miloscia, Hunt, Palumbo, Liias, Fain, Saldaña, Pedersen, Carlyle, Keiser, Cleveland, Mullet, Conway and Kuderer.

Brief History:

Committee Activity: State Government: 1/25/17.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Prohibits political committees from receiving 70 percent or more of its funds from another single political committee, either directly or indirectly.

SENATE COMMITTEE ON STATE GOVERNMENT

Staff: Samuel Brown (786-7470)

Background: Initiative 276, passed by the voters in 1972, created the five-member, bi-partisan Public Disclosure Commission to enforce provisions of campaign finance disclosure law, including campaign contribution limits and other requirements applicable to political committees.

An organization is considered a political committee if one of its primary purposes is to affect governmental decision-making by supporting or opposing candidates or ballot measures. A political committee may only make a contribution to another political committee when the contributing political committee has received contributions of at least \$10 each from ten or more registered Washington voters. In a 2015 oral order in the case of *State v. Grocery Manufacturers Association*, a Thurston County superior court judge found that this provision violated the First Amendment by mandating political association. No state or federal appellate court has ruled on the constitutionality of this provision.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: A political committee is prohibited from receiving 70 percent or more of its funds from another single political committee, either directly or indirectly through any combination of other or intermediary political committees.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Campaign operatives have found a way around the Top Five sponsor disclosure requirement, one of the best provisions in our campaign finance law, to obscure true campaign donors. This will prevent that. Disclosure creates informed voters, who are essential for a healthy democracy. This makes donors accountable for the content of political advertising. Voters know what is really going on, and this has done great harm to citizen enthusiasm and engagement. It should be obvious who is paying for political advertising.

CON: Enforcement of the bill will be tricky. If a committee doesn't track something immediately, it could inadvertently put them out of compliance. The bill should be amended to accommodate vertically integrated groups with state and local committees. The bill does not just cover committees with the sole purpose of hiding their donors.

Persons Testifying: PRO: Senator Andy Billig, Prime Sponsor; Kathy Sakahara, League of Women Voters.

CON: Jan Himebaugh, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: No one.