

HOUSE BILL REPORT

SB 5150

*As Reported By House Committee on:
State Government*

Title: An act relating to campaign finance reporting.

Brief Description: Adjusting campaign finance reporting requirements.

Sponsor(s): Senators Nelson and Rasmussen; by request of Public Disclosure Commission.

Brief History:

Reported by House Committee on:
State Government, February 25, 1992, DPA.

**HOUSE COMMITTEE ON
STATE GOVERNMENT**

Majority Report: *Do pass as amended.* Signed by 10 members: Representatives Anderson, Chair; Pruitt, Vice Chair; McLean, Ranking Minority Member; Bowman, Assistant Ranking Minority Member; Chandler; R. Fisher; Grant; Moyer; O'Brien; and Sheldon.

Staff: Kenneth Hirst (786-7105).

Background: The public disclosure law requires a candidate or political committee which acts as an intermediary by receiving one or more contributions earmarked for the benefit of another candidate or committee to report the receipt of the contributions as part of its regular reports of contributions and expenditures. The intermediary must also complete an "earmarked contribution" form identifying the person who made the contribution, the amount of the contribution, the date it was received, and the intended beneficiary.

This form must be sent to the Public Disclosure Commission (PDC) and to the intended beneficiary within two working days of the receipt of the contribution. Once the contribution is received by the benefiting candidate or committee, the beneficiary must include the contribution in its regular report of contributions and expenditures.

Special reports regarding contributions of more than \$500 made or received near a primary or election must be

delivered to the PDC within 48 hours of or on the next working day after being made or received. The PDC must publish daily summaries of these reports.

Summary of Amended Bill:

Earmarked Contributions. An intermediary who receives a contribution for the benefit of another must file a post-election report regarding earmarked contributions received during the calendar year. The report must be filed with the PDC and the local elections official by the 10th day of the month after the election. The report must identify, for each benefiting candidate or committee, the name of the beneficiary, the total of the contributions received for the beneficiary, and the amount actually expended to or for the beneficiary.

Each candidate or committee that is the beneficiary of an earmarked contribution must report, as part of its regular reporting of contributions and expenditures, that the contribution was made on the candidate's or committee's behalf, the name and address of the original contributor, and the name of the entity acting as the intermediary. If the earmarked contribution is actually spent on behalf of the benefiting candidate or committee, the intermediary must, as soon as practicable, notify the beneficiary of the amount spent. Once the beneficiary has been so notified, corrected information must be included in the beneficiary's next regular report of contributions and expenditures if the amount differed from the amount reported as being earmarked.

Special Reports. Special reports regarding contributions of more than \$500 made or received near a primary or election may be transmitted to the PDC by electronic facsimile to satisfy the statutory deadlines as long as signed originals are subsequently filed within a deadline set by the PDC by rule.

The PDC need no longer publish daily summaries regarding such special reports.

Amended Bill Compared to Original Bill: The amendment strikes provisions of the Senate bill which: alter requirements for the use of campaign funds for nonreimbursed public office related expenses; alter expenditure reporting forms used by candidates for state executive or legislative office; increase the size of the contributions which may be received without the contributor being listed in reports; permit the PDC to allow any report to be delivered by facsimile; and clarify the period during which the size of contributions is limited by law.

Fiscal Note: Available.

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

Testimony For: (1) The production of daily summaries of special reports is very time consuming and is required during a very busy period for the PDC. Since this summary is used by very few people, it should be discontinued. (2) The reporting forms and requirements set by the PDC for reporting "earmarked" contributions conform to the proposal in this bill, not the requirements of current law.

Testimony Against: The PDC has already published its reporting forms and instructions for 1992. Many of the reporting changes proposed by this legislation, which was introduced by the request of the PDC in 1991, would require changing those forms and instructions. Those proposals should be stricken from the bill and considered at a later date.

Witnesses: Graham Johnson and Kim O'Neal, Public Disclosure Commission (in favor of portions).