

HOUSE BILL REPORT

ESB 6128

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to persons authorized to make expenditures on behalf of a candidate or committee.

Brief Description: Requiring the naming of the person or persons authorized to make expenditures on behalf of a candidate or committee.

Sponsors: Senators Keiser and Kohl-Welles.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 3/27/07, 3/28/07 [DPA].

Brief Summary of Engrossed Bill (As Amended by House Committee)

- Requires candidates and political committees to include the name of any person authorized to make expenditures on behalf of the candidate or political committee on its statement of organization.
- Requires candidates and political committees to include the name of any person who is paid to perform ministerial functions for two or more candidates or political committees on its statement of organization.
- Clarifies that an expenditure directed by a person authorized to make expenditures on behalf of a candidate or political committee is a "contribution."
- States that performance of ministerial functions performed by a person who is paid or who volunteers on behalf of two or more candidates or political committees is not a contribution.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

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.

Majority Report: Do pass as amended. Signed by 5 members: Representatives Hunt, Chair; Appleton, Vice Chair; Green, McDermott and Ormsby.

Minority Report: Do not pass. Signed by 4 members: Representatives Chandler, Ranking Minority Member; Armstrong, Assistant Ranking Minority Member; Kretz and Miloscia.

Staff: Marsha Reilly (786-7135).

Background:

Under campaign finance laws, candidates and political committees are required to file a statement of organization with the Public Disclosure Commission (PDC). The statement of organization must include information such as the name and address of the committee, the names and addresses of all related or affiliated committees or other persons, and the names and addresses of its officers including the treasurer.

All monetary contributions received by a candidate or political committee must be deposited by the treasurer into an account established and designated for that purpose. All contributions must be reported to the PDC at regular intervals as set forth in statute. Expenditures may be made by a candidate or political committee only on the authority of the treasurer or the candidate, and a record of all expenditures must be maintained by the treasurer.

Campaign finance laws provide a definition of "contribution" and further define what is not a "contribution." Generally, a contribution includes:

- a loan, gift, forgiveness of debt, or anything of value;
- an expenditure made by a person in cooperation with a candidate or a political committee or their agents;
- the financing of political advertising or an electioneering communication by a person in cooperation with a candidate, a political committee, or their agents; and
- sums paid for tickets to fund-raising events.

A "contribution" does not include:

- interest on money in the committee's account;
- ordinary home hospitality;
- volunteer campaign services;
- news items or feature stories; or
- legal or accounting services if the person providing the service is the employee of the individual paying for the service. In the case of candidates, these services are not contributions only if the services are to ensure compliance with state election or public disclosure laws.

Summary of Amended Bill:

The definition of "contribution" is amended to include an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, the person or persons named on the candidate's or committee's registration form who directs expenditures on

behalf of the candidate or committee. A change is also made to further delineate what a "contribution" is not. A contribution does not include the performance of ministerial functions by a person on behalf of two or more candidates or political committees as long as that person is a volunteer or is paid for the services by the candidate or political committee, subject to the following conditions:

- Only ministerial functions as defined by the PDC by rule are performed.
- A person who is paid by two or more candidates or political committees to perform these functions is identified by the candidates and political committees on their respective statements of organization.
- The person does not disclose any information other than what is required by law or that is already publicly available and does not engage in activity that constitutes a contribution.

The statement of organization filed by a candidate or political committee must include the name, address, and title of any person who directs expenditures as well as any person who is paid to perform ministerial functions on behalf of two or more candidates or political committees.

Only those persons named on the candidate's or committee's registration form may authorize expenditures by any candidate or political committee.

Amended Bill Compared to Original Bill:

The amendment stipulates that the person who performs ministerial functions is either paid by or is a volunteer for two or more candidates or political committees and requires that the person only perform ministerial functions as defined by the PDC by rule; the person who is paid by two or more candidates or political committees to perform ministerial functions be identified on the candidate's or committee's statement of organization; and that the person performing ministerial functions does not disclose information not publicly available or required by law or engage in any activity that constitutes a contribution.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect January 1, 2008.

Staff Summary of Public Testimony:

(In support) The bill increases the transparency of the current standards by requiring that those persons who make financial decisions for a candidate or political committee be identified on the statement of organization. It also allows an individual who provides ministerial functions to work for other committees and not be counted as a contribution. This function is essentially non-decision making. It is data entry or an office function of maintaining records. The current statute prohibits any kind of coordination and the bill does not change current law. These data-entry type of positions should not be counted as a contribution. The PDC supports

the increased disclosure and accountability provisions requiring persons who authorize expenditures for a campaign to be identified on the statement of organization.

(With concerns) The PDC has concerns about the language regarding the performance of ministerial functions by a person on behalf of one or more candidates or political committees. The PDC is uncomfortable with the notion that the same person would be able to perform these functions for a candidate as well as a political committee making independent expenditures supporting that same candidate. A lack of separation between these campaigns would not promote confidence in the system. Any business, union, PAC or other organization could pay to have these services performed for a candidate and that payment would not be considered a contribution. The PDC suggests that the language be amended to require the names of persons performing ministerial functions be disclosed and that it be emphasized that persons performing ministerial functions could not share non-public information regarding one campaign's activities with the other campaign without a contribution ensuing.

(Opposed) None.

Persons Testifying: (In support) Senator Keiser, prime sponsor.

(With concerns) Vicki Rippie, Public Disclosure Commission.

Persons Signed In To Testify But Not Testifying: None.