

SENATE BILL REPORT

SB 5400

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 3, 1994

Brief Description: Regulating campaign contributions and spending.

SPONSORS: Senators Quigley, A. Smith, Haugen, Niemi, Prentice, Fraser, Sutherland, Bauer, Loveland, Drew, Rinehart, Gaspard, Snyder, Jesernig, McAuliffe, Vognild, Pelz and Sheldon

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Second Substitute Senate Bill No. 5400 be substituted therefor, and the second substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators A. Smith, Chairman; Ludwig, Vice Chairman; Niemi, Quigley and Spanel.

Staff: Martin Lovinger (786-7443)

Hearing Dates: February 12, 1993; February 19, 1993; January 27, 1994; February 3, 1994

BACKGROUND:

Initiative 134, which was approved by Washington voters on November 3, 1992, among other things imposed limits on campaign contributions to candidates for state office. The stated purposes of the initiative were (1) to give individuals and interest groups equal opportunities to influence elective and governmental processes, (2) to reduce the influence of large organizational contributors, and (3) to restore public trust in governmental institutions and the electoral process.

Some groups interested in campaign issues have argued that Initiative 134 is unlikely to achieve these goals, in part because it does not limit campaign spending. These groups have maintained that, so long as campaign spending remains unchecked, special interests will have the opportunity to unduly influence the legislative process, and people of modest means will be discouraged from seeking public office.

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

Voluntary campaign expenditure limits are established for candidates seeking state office, and candidates must indicate whether they accept or reject such limits within specified time periods.

The initial expenditure limits are as follows:

Governor: \$2,000,000
All other state executive offices: \$500,000
State senator: \$80,000
State representative: \$50,000

The Public Disclosure Commission is authorized to adjust expenditure limits at two year intervals.

Candidates for state office, and public officials and political committees participating in recall campaigns, are prohibited from accepting campaign contributions that exceed specified levels.

Applicable contribution limits vary depending on whether participant has accepted voluntary expenditure limits. Anyone who fails to accept voluntary expenditure limits may only accept 10 percent of the otherwise maximum allowable contribution.

Political parties and state legislative caucuses may not accept contributions from individuals that exceed specified levels.

Civil remedies and sanctions are provided for candidates who accept, and then exceed, expenditure limits. Certain expenditures that do not apply to the spending limit are specified.

For-profit corporations are only allowed to make campaign contributions through a political action committee.

Voters' pamphlets are required to indicate whether or not candidates have agreed to abide by the voluntary spending limits.

Under certain circumstances the courts or Legislature can declare an election void.

The use of campaign funds to pay fines under this act is prohibited.

A person who makes an unlawful independent expenditure because of encouragement, approval or collaboration of a candidate is subject to a penalty of up to three times the amount of the unlawful expenditure.

Corporations and their subsidiaries and unions and their affiliates are no longer considered on entity for contribution purposes.

The annual renewal requirement for payroll deductions to public employee unions is eliminated.

This bill has a referendum clause and will be submitted to a vote of the people at the next general election.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This bill is an attempt to reconnect with voters by reassuring them that they do have a say in government. The limits were set as a result of a study of past campaigns. The spending limits are designed to limit the advantage of incumbents. The current law has left a large loophole for individuals to contribute to parties and caucuses. Contribution limits do not equal spending limits, which is what voters want.

TESTIMONY AGAINST:

Inclusion in the voters' pamphlet should not be the incentive for spending limits. The pamphlet is a civic education tool for the benefit of the voters.

TESTIFIED: Senator Quigley, prime sponsor; Ralph Munro, Secretary of State