

HOUSE BILL REPORT

E2SSB 5931

As Reported By House Committee On:
State Government
Appropriations

Title: An act relating to electronic filing and publication of campaign finance and lobbyist reports.

Brief Description: Requiring electronic filing and publication of campaign finance and lobbyist reports.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Patterson, Horn, Gardner, McCaslin, Haugen, Kline, Brown, Costa, Hale, Kohl-Welles, B. Sheldon and Bauer).

Brief History:

Committee Activity:

State Government: 3/31/99, 4/2/99 [DPA];
Appropriations: 4/5/99 [DPA(APP w/o SG)].

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

A variety of requirements are made to encourage, and in some instances require, the electronic filing of reports with the Public Disclosure Commission (PDC) and to make reports that have been filed with the PDC available electronically.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended. Signed by 7 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Campbell, Republican Vice Chair; Miloscia, Democratic Vice Chair; Dunshee; Haigh and D. Schmidt.

Minority Report: Do not pass. Signed by 1 member: Representative Lambert.

Staff: Steve Lundin (786-7127).

Background:

State voters approved Initiative 276 in 1972. Among other provisions, Initiative 276 required candidates and continuing political committees to file statements of organization and make periodic reports of contributions and expenditures, required public officials to file financial statements, and required persons lobbying the Legislature or state agencies to register and make periodic reports of their expenditures. The public disclosure commission (PDC) was created to receive these filings and reports and enforce these provisions.

Legislation has been enacted since the mid-1990's providing for the electronic filing of reports with the PDC and the electronic access of reports that have been filed. During the 1997-1999 biennium, \$378,000 was appropriated to the PDC solely for technology for customer service improvements.

The date the PDC receives a report or statement is deemed to be the date of an electronic file transfer, if the document is sent electronically, or the date of the post office cancellation mark on the envelope, if the document is deposited prepaid in the United States mail properly addressed.

Summary of Amended Bill:

A variety of requirements are made to encourage, and in some instances require, the electronic filing of reports with the PDC and to make reports that have been filed with the PDC available electronically.

1. Executive director and assistant executive director.

The executive director of the PDC must appoint an assistant executive director for information services who is responsible for maintaining and enhancing the collection of and public access to information through electronic means.

The PDC must prepare an annual performance review of the executive director.

2. Electronic filings.

By July 1, 1999, the PDC shall offer every candidate, public official, political committee, and party organization the option of filing its financial affairs reports, contribution reports, and expenditure reports electronically. This does not include the basic statement of organization filing.

By January 1, 2001, the PDC shall offer all lobbyists and lobbyists' employers the option of filing their reports, other than the basic lobbyist registration, electronically.

By January 1, 2000, each continuing political committee is required to file its contribution reports and expenditure reports electronically. This does not include the basic statement of organization filing. The failure to so file electronically is a violation of the PDC laws.

The PDC is required to make the appropriate electronic reporting form available at no charge.

3. Web site access.

By January 1, 2000, the PDC shall operate a web site, or contract for the operation of a web site, allowing access to reports or information in reports filed by candidates, political committees, and lobbyists. In addition, the PDC shall attempt to make available other public records submitted to the PDC or generated by the PDC available on the web site.

4. Goals for the electronic availability of information.

Beginning January 1, 2001, the PDC shall establish goals that all reports and information included in reports that are filed with the PDC are available electronically on the PDC's web site. Reports and information in reports that are filed electronically shall be available on the PDC's web site within two business days of the PDC's receipt of the report. Reports and information in reports that are submitted in any format other than being filed electronically shall be available on the PDC's web site within four business days of the PDC's actual physical receipt of the report.

5. Reports and plans.

The PDC must calculate the following **reporting performance measures** and make these measures available to the public, and provide a copy of the measures to the Governor and appropriate legislative committees, by July 1, of each year:

- The average number of days elapsing between when reports are received and when copies are available to the general public at the PDC's office and via the PDC's web site, distinguishing the reports based upon whether they were filed by continuing political committees, candidates, or independent expenditures, or were special reports, or were filed by lobbyists or lobbyists' employers.
- The percentage of reports filed using different formats by candidates, continuing political committees, or lobbyists and lobbyists' employers. The different formats are hard copy, electronic via diskette, electronic via modem or satellite, electronic via the Internet, and others. Candidates shall be categorized as statewide, state legislative, or local.

By January 1, 2000, the PDC must prepare an **information technology plan** and submit the plan to various committees of the Senate and House of Representatives, the Governor, and the Department of Information Services. The PDC must consult with affected state agencies, the Department of Information Services, and stakeholders. The plan must include:

- A baseline assessment of its information technology resources and capabilities to serve as the benchmark for subsequent planning and performance measures;
- A statement of its mission, goals, and objectives for information technology, including the goals and objectives for achieving electronic access to its records for at least five years;
- An explanation of how its mission, goals, and objectives for information technology support and conform to the state strategic information technology plan;
- An implementation strategy to enhance electronic access to public records and information;
- Projects and resources required to meet its objectives; and
- If feasible, estimated schedules and funding required to implement identified projects.

The PDC must prepare and submit to the Department of Information Services a **biennial performance report** on information technology that evaluates its performance, assesses its progress toward implementing its information technology plan, analyzes its performance measures that relate to the electronic filing of reports and timely public access to those reports via its web site, describe methods how citizens may interact with the PDC to obtain information and services, and include an inventory of PDC information services, equipment, and proprietary software.

6. Return of materials.

The PDC must return documents, records, reports, computer files, papers, or materials that are provided to it as part of audits and investigations within two weeks of receiving these items.

Amended Bill Compared to Engrossed Second Substitute Bill: 1) An annual performance review of the executive director must be done. 2) The goal relating to putting material on the web site that is sent to the PDC using a means other than electronic, within four days of its receipt, is altered to within four days of its actual physical receipt. 3) Certification of filing reports by facsimile or electronically must be done whether or not funds are available. 4) Performance measures must be

provided to the Governor and appropriate committees of the Legislature. 5) Electronic filing forms must be available without charge to all filers. 6) Public officials must be offered the opportunity to file their financial reports electronically. 7) Lobbyist registrations shall be put on the web site.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Support with Concerns) Some of the requirements are not feasible and money is needed to finance these requirements. An incremental approach is needed. The turn around times are an exponential increase in our work load. We already have a large backlog in inputting data into our web site. More flexibility is needed in these time lines. It is preferred that we start with voluntary electronic filings. Support the goals of this legislation, but have concerns.

Testimony Against: None.

Testified: Melissa Warheit, Public Disclosure Commission.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Appropriations and without amendment by Committee on State Government. Signed by 31 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

Minority Report: Without recommendation. Signed by 1 member: Representative Lambert.

Staff: Heather Flodstrom (786-7391).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on State Government: The striking amendment: extends the turnaround time for getting information on the Public Disclosure

Commission's web-site; drops the requirement to hire an assistant executive director; clarifies that the annual calculation of performance measures begins July 1, 2000; requires that lobbyist information be put on the PDC's web-site by January 1, 2001, rather than January 1, 2000; requires only the continuing political committees that spend \$10,000 or more a year to file reports electronically; requires the Joint Legislative Audit

and Review Committee to complete a performance audit of the duties and staffing of the PDC by September 1, 2000; and becomes null and void if not funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: None.

Testimony Against: None.

Testified: None.