

# HOUSE BILL REPORT

## SB 6637

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### As Reported by House Committee On:

State Government

**Title:** An act relating to financial disclosure by ballot measure sponsors.

**Brief Description:** Requiring financial disclosure by ballot measure sponsors.

**Sponsors:** Senators Kline, Gardner, Fairley, Keiser, Costa and Kohl-Welles.

### Brief History:

#### Committee Activity:

State Government: 2/28/02, 3/1/02 [DPA].

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

- Requires a financial affairs statements for every person who files a signed affidavit with a proposed initiative or referendum measure with the Office of the Secretary of State.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 6 members: Representatives Romero, Chair; Miloscia, Vice Chair; McMorris, Ranking Minority Member; McDermott, Schmidt and Upthegrove.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Schindler.

**Staff:** Bree Ramage (786-7617).

### Background:

Elected officials, executive state officers, and candidates must file a financial affairs statement with the Public Disclosure Commission. Persons filing a proposed initiative or referendum measure with the Office of the Secretary of State are not required to file a financial affairs statement.

A financial affairs statement discloses the following information for the reporting individual and each member of his or her immediate family:

- Income, employment, and compensation;
- Real estate with an assessed value over \$7,500 that is located in Washington State and was sold, acquired, or owned during the reporting period;
- Bank accounts, insurance policies which exceed \$15,000, and other investments and intangible property such as stocks and bonds which exceed \$1,500;
- Creditors owed \$1,500 or more;
- Relationships with businesses, organizations, associations, unions, governmental bodies and such that could potentially impact the decisions one makes as a public official;
- State-level lobbying undertaken for compensation; and
- Reportable gifts of food and beverages costing over \$50, travel occasions, seminars, course fees, educational programs, or other training that were paid for by a source other than oneself or one's own governmental agency.

The reporting time period is specific to the type of person reporting. For example, the previous 12 calendar months is the reporting period for: 1) persons newly appointed to fill a vacant state or local elected office; 2) persons newly appointed to fill a vacant state executive office; 3) persons appointed to fill a newly created executive state office; or 4) candidates for local or state elected office.

Initiative measures submitted to the people must be filed within 10 months prior to the election, and the petitions at least four months before the election. Initiative measures submitted to the Legislature must be filed within 10 months prior to the election, and the petitions at least 10 days before the regular session of the Legislature. A referendum petition ordering any part of an act passed by the Legislature to be referred to the people must be filed within 90 days after the adjournment of the legislative session. All filings are with the Office of the Secretary of State.

Legal voters who submit a ballot measure must file with the Secretary of State a typewritten copy of the measure, accompanied by an affidavit that the proposer is a legal voter.

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### **Summary of Amended Bill:**

Every filer of a proposed initiative or referendum measure who signs and files an affidavit with the Secretary of State, must file a financial affairs statement for the preceding 12 months within two weeks of filing the signature petitions.

### **Amended Bill Compared to Original Bill:**

The definition of a filer is clarified by defining a filer as the person who signs and files

an affidavit with the Secretary of State.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Please pass this bill. Citizens deserve more information when they are deciding how to vote on initiatives. Everyone in Washington that affects policy must file a financial disclosure statement, except for initiative sponsors. Initiative sponsors should be added to the list of people required to file statements of financial affairs. This bill only requires disclosure once the initiative qualifies for the ballot.

**Testimony Against:** None.

**Testified:** Senator Kline, prime sponsor; Duke Schaub, Associated General Contractors of Washington; Jim Bricker, PEMCO; Mellani Hughes, Association of Washington Business; Cherie Davidson, League of Women Voters; and Pat Thompson, Washington State Council of County and City Employees.