
State Government Committee

HB 2321

Brief Description: Regarding penalties for violations of the public disclosure act.

Sponsors: Representatives McDermott, Schmidt, Romero, Miloscia, Kessler, Mulliken, Benson, Alexander, Haigh, Holmquist and Edwards; by request of Public Disclosure Commission.

Brief Summary of Bill

- Increases the PDC's maximum penalties from \$1,000 to \$4,000 for a single violation and from \$2,500 to \$10,000 for multiple violations.
- Public officials and employees who are found to have used public resources to assist campaigns may be ordered to pay restitution and penalties with non-public funds.
- Authorizes the PDC to order persons subject to the Public Disclosure Act to take all action necessary for full compliance, e.g., refunding excessive contributions.
- Allows 60 business days, rather than 45 calendar days, for the Attorney General or a county prosecutor to initiate court proceedings regarding citizen action complaints.

Hearing Date: 1/24/02

Staff: Marsha Reilly (786-7135).

Background:

The Public Disclosure Act (PDA) requires that political campaign and lobbying contributions and expenditures be fully disclosed, as well as the financial affairs of elected officials and candidates. The PDA covers campaign financing, maximum campaign contribution limits, political advertising, lobbying, and the financial affairs of public officials. Once the Public Disclosure Commission (Commission) is aware of a possible PDA violation, it may pursue administrative remedies or may refer the matter to the Attorney General or other law enforcement agencies.

If the remedy or sanction is imposed by a court, the maximum penalty is \$10,000 for each violation. A party who violates the maximum campaign contribution limits may be subject to

a penalty of either \$10,000 or three times the amount of the illegal contribution, whichever is greater. If a court finds that a violation probably affected the outcome of an election, the court may declare the election void and a special election must be held within 60 days. If a lobbyist violates the PDA, the court may revoke or suspend the lobbyist's registration and may prohibit the person from receiving compensation or making expenditures for lobbying. A court can issue a penalty of \$10 a day for each day that a statement or report is not filed beyond the proper deadline. Failure to report a contribution or expenditure can result in a penalty equivalent to the amount of contribution or expenditure. A court may use injunctive relief or may compel any action necessary to enforce compliance with the disclosure requirements.

If the Commission handles a violation administratively, it must hold a hearing, pursuant to the Administrative Procedures Act, to determine if a violation occurred, and any order issued pursuant to the hearing is subject to judicial review. If the Commission does find a violation, it may order the respondent to cease and desist from the violating activity, and may impose a civil penalty of up to \$1,000 for an individual violation, and an aggregate penalty of up to \$2,500 for multiple violations included in a single complaint or hearing. The Commission may order any other remedies available to a court. If the respondent does not comply with the order or petition for review, the Commission may seek enforcement through a court.

Summary of Bill:

Several changes are made to the PDA regarding penalties and enforcement issues.

Any person who accepts excessive campaign contributions may be required to return the illegal contribution and any person failing to report a contribution or expenditure may be fined an amount equal to the amount not reported.

The penalty for using public funds or facilities to assist an election campaign, or promote or oppose a ballot measure, may include an order to pay restitution in addition to any civil penalty. Neither the restitution nor the civil penalty may be paid with public funds. A court may order any action necessary to compel compliance with the disclosure regulations, including the return of late or excessive contributions.

The maximum limit for Commission issued penalties increases from \$1,000 to \$4,000 for a single violation, and from \$2,500 to \$10,000 for multiple violations included in one complaint.

Citizens may report violations to the Public Disclosure Commission, in addition to the attorney general and the county prosecuting attorney. The number of days that the Attorney General or county prosecutor has to initiate court proceedings regarding citizen action complaints is changed from 45 calendar days to 60 business days.

Technical changes are made to 1) omit the public records section of the PDA from the violation procedures and penalty provisions and 2) to reflect female gender in the language of the bill.

Rulemaking Authority: No express authority.

Appropriation: None.

Fiscal Note: Not Requested.

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