

# SENATE BILL REPORT

## SB 5033

---

---

As Reported By Senate Committee On:  
Government Operations & Elections, January 31, 2005

**Title:** An act relating to penalties for violation of the campaign finance and contribution limits, lobbying, political advertising, and public officials' financial affairs reporting subdivisions of the public disclosure act.

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

**Sponsors:** Senators Kastama and Shin; by request of Public Disclosure Commission.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/13/05, 1/31/05 [DP, DNP].

---

### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline, Pridemore and Roach.

**Minority Report:** Do not pass.

Signed by Senator Mulliken.

**Staff:** Diane Smith (786-7410)

**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 (PDC) is aware of a possible PDA violation, it may pursue administrative remedies or may refer the matter to the Office of the Attorney General (AG) 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 the PDC handles a violation administratively, it must hold a hearing pursuant to the Administrative Procedure Act to determine if a violation occurred. Any order issued pursuant to the hearing is subject to judicial review. If the PDC 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 PDC may order most other remedies

available to a court. If the respondent does not comply with the order or petition for review, the PDC may seek enforcement through a court.

Any person may bring an action in court in the name of the state for an alleged violation of the PDA. First, the person must notify the AG and prosecuting attorney of the reasons the person believes a violation has occurred. If the AG and prosecuting attorney have not commenced an action within 45 days after this first notice, the person must give a second notice that he or she will commence a citizen's action within ten days.

**Summary of Bill:** The maximum limit for PDC issued penalties is increased from \$1,000 to \$4,000 for a single violation, and from \$2,500 to \$10,000 for multiple violations included in one complaint.

The amount of time the Attorney General and county prosecutor have to initiate court proceedings regarding citizen action complaints is changed from 45 calendar days to 60 business days from the first notice from the citizen. The amount of time from the citizen's second notice until the citizen can commence proceedings in the state's name, absent action by the Attorney General and prosecuting attorney, is changed from 10 days to 10 business days.

The public records section of the PDA is excluded from the violation procedures and penalty provisions that are the PDC's responsibility.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Over the last five years, the Commission could have saved about \$50,000 by not referring cases to the Attorney General that could have been handled administratively under the terms of this bill. The amount of penalty would not differ, it would just be assessed by a different body and without the cost of having the attorney general's office take the cases to court. Of everyone covered under the Public Disclosure Act, 96 percent comply. Of the remaining 4 percent, 92 percent are resolved at hearing. The 45 day rule causes pressure on the Commission to determine the merit of a case given the fact that the citizen wins attorney's fees if he or she prevails, and necessitates the scheduling of special meetings in addition to those regularly scheduled.

**Testimony Against:** None.

**Who Testified:** PRO: Mike Connelly, Public Disclosure Commission; Vicki Rippie, Public Disclosure Commission.