

# SENATE BILL REPORT

## 2SHB 2016

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As Reported by Senate Committee On:  
Government Operations & Elections, February 25, 2010

**Title:** An act relating to campaign contribution and disclosure laws.

**Brief Description:** Concerning campaign contribution and disclosure laws.

**Sponsors:** House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Flannigan, Appleton, Hurst, Miloscia and Hunt).

**Brief History:** Passed House: 2/15/10, 63-35.

**Committee Activity:** Government Operations & Elections: 2/23/10, 2/25/10 [DPA, w/oRec].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; McDermott, Pridemore and Swecker.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Benton.

**Staff:** Alison Mendiola (786-7483)

**Background:** Reorganization. Initiative 276, passed by the voters in 1972, established disclosure of campaign finances, lobbyist activities, financial affairs of elective officers and candidates, and access to public records. That initiative also created the Public Disclosure Commission (PDC), a five-member, bi-partisan citizen commission, to enforce the provisions of the campaign finance disclosure law.

Twenty years later, in 1992, the Fair Campaign Practices Act was enacted following passage of Initiative 134. Initiative 134 imposed campaign contribution limits on elections for statewide and legislative offices, further regulated independent expenditures, restricted the use of public funds for political purposes, and required public officials to report gifts received in excess of \$50.

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Since the enactment of these initiatives numerous changes and additions have been made, including the enactment of SHB 1133 in 2005 resulting in a recodification of the public records portion of the Public Disclosure Act into chapter 42.56 RCW.

Political Advertising. Provisions for reporting political advertising (ad) and electioneering communications were enacted by the Legislature in 2005. Political advertising undertaken as an independent expenditure by a person or entity other than a party organization, and all electioneering communications must include a statement indicating that the ad is not authorized by any candidate, as well as information on who paid for the ad. If an ad is an independent expenditure or electioneering communication sponsored by a political committee, the top five contributors must be listed.

Contribution Limits. The dollar amounts that a person may give to a candidate is governed by law. These dollar amounts are adjusted for inflation every two years by the PDC. A political party has different limits than a person. Certain contributions are exempt from any limits, including contributions for the purpose of voter registration, get-out-the vote campaigns, or expenditures by a political committee for its own internal organization or fundraising without direct association with individual candidates. Any expenditure or contribution for independent expenditure or electioneering communication made by a political party for a candidate is considered to be a contribution to that candidate.

Public Service Announcements (PSA). PSAs are communications that meet all of the following criteria. The communication is: (a) designed to benefit or promote the community's health, safety or welfare or nonprofit community events; (b) not selling a product or service; (c) sponsored by an organization with a history of routinely providing the community such outreach public service messages in the service area of the organization; (d) of primary interest to the general public and is not targeted to reach only voters or voters in a specific jurisdiction; (e) not coordinated with or controlled or paid for by a candidate's authorized committee or political committee; (f) subject to the policies for public service announcements of the entity broadcasting, transmitting, mailing, erecting, distributing or otherwise publishing the communication including policies regarding length, timing, and manner of distribution; and (g) one for which the arrangements to include a reference or depiction of the candidate or candidates in the communication were made at least six months before the candidate became a candidate.

**Summary of Bill (Recommended Amendments):** Reorganization. Chapter 42.17 RCW is reorganized and language is clarified. Obsolete provisions relating to the information technology plan and electronic filing are removed. The provisions repealed in RCW 42.17.131, 42.17.362, 42.17.365, 42.17.375, 42.17.562, 42.17.620, and 42.17.647 are included in other statutes. The contribution dollar amounts are updated and technical changes are made to clarify language.

Definitions. The definition for bona fide political party is changed as it relates to minor parties. A minor political party is an organization that has been recognized as such by the Secretary of State. In addition to a bank, a depository means a mutual savings bank, savings and loan association, or credit union doing business in this state. The definition for person in interest is moved from chapter 42.17 RCW to chapter 42.56 RCW as the term is applicable to the public records statutes. The definition for writing is removed.

Political Advertising. Requirements pertaining to independent expenditures and electioneering communications that require listing of the top five contributors are modified. If the sponsor of a communication is a political committee established, maintained, or controlled directly, or indirectly through the formation of one or more political committees, by an individual, corporation, union, association, or other entity, the full name of that individual or entity must be listed.

Contribution Limits. An expenditure or contribution for independent expenditures or electioneering communications are exempt from contribution limits.

Public Service Announcements (PSA). If a state-elected official or municipal officer is a candidate for office, he or she can not appear in the PSA from January 1 of that year through the general election. If the candidate is not in control of PSA, then the candidate must contractually limit the use to be consistent with these provisions. This does not apply to PSAs that are part of the regular duties of the office that only mention or visually display the office, seal, or logo but do not mention or visually display the name of the candidate.

**EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS COMMITTEE (Recommended Amendments):** Language is added regarding public service announcements (PSA). If an state-elected official or municipal officer is a candidate for office, he or she can not appear in the PSA from January 1 of that year through the general election.

If the candidate is not in control of PSA, then the candidate must contractually limit the use to be consistent with these provisions. This does not apply to PSAs that are part of the regular duties of the office that only mention or visually display the office, seal, or logo but do not mention or visually display the name of the candidate. This provision would take effect immediately.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Effective Date:** January 2, 2012 except for sections 505, relating to political advertising; 602, relating to contribution limits; and 703, relating to public service announcements, which take effect immediately.

**Staff Summary of Public Testimony on Second Substitute House Bill:** PRO: A majority of the bill is a technical clean-up, the PDC supports this but is neutral as to the policy issues. If a political committee is formed by another political committee, we want to know who is sponsoring the political advertising. Some political committees are upfront about the sponsorship and others aren't. People have the right to know who is behind an ad and shouldn't have to dig around to find out.

**Persons Testifying:** PRO: Representative White, prime sponsor; Doug Ellis, PDC; Diane McDaniel.