
State Government & Tribal Affairs
Committee

HB 1732

Brief Description: Regarding campaign finance disclosure.

Sponsors: Representatives Kelley, Frockt, Eddy, Billig, Kirby, Goodman, Hasegawa, Stanford, Seaquist, Green, Liias, Fitzgibbon, Blake, Dunshee, Rolfes, Miloscia, Finn, Sells, Kagi, Jacks, Ryu, Probst, Carlyle, Kenney and Appleton.

Brief Summary of Bill

- Requires identification of committee sponsors for sponsored political committees.
- Adds definitions for "sponsor" and "sponsored committee."
- Extends political advertising requirements to ads for ballot propositions.
- Requires political committees to keep copies of their political advertising for a period of five years and to provide copies of advertising to the Public Disclosure Commission when requested by the Commission.
- Prohibits the Public Disclosure Commission from waiving fines for a second violation of the same rule.

Hearing Date: 2/9/11

Staff: Marsha Reilly (786-7135).

Background:

Public Disclosure Commission.

In 1972 the voters passed Initiative 276, which required the disclosure of campaign finances, lobbyist activities, financial affairs of elective officers and candidates, and access to public records. The initiative created the Public Disclosure Commission (PDC), a five-member, bipartisan citizen commission, to enforce the provisions of the campaign finance disclosure law.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The PDC has the authority to develop procedures, adopt rules, investigate complaints, and enforce the laws relating to campaign disclosure and contributions, including the imposing of civil penalties.

Filing Requirements.

Every political committee is required to file a statement of organization with the PDC within two weeks of its organization or within two weeks after the date the committee expects to either receive contributions or make expenditures in any election campaign, whichever is earlier. A political committee organized within three weeks before an election that expects to receive contributions or make expenditures must file its statement of organization within three business days. The statement of organization must include the following information:

- name and address of the committee;
- name and address of all related or affiliated committees or persons and the nature of the affiliation;
- names, addresses, and titles of its officers, or if it has no officers, its responsible leaders;
- name and address of its treasurer and depository;
- a statement whether or not the committee is a continuing committee;
- the names of candidates or ballot propositions supported or opposed;
- the planned distribution of surplus funds;
- the committee's street address and hours of operation;
- the name, address, and title of any person who authorizes expenditures or makes decisions on behalf of the candidate or committee;
- the name, address and title of any person paid by or volunteering for a candidate or political committee that perform ministerial functions on behalf of two or more candidates or committees; and
- other information required by the PDC.

Political Advertising and Electioneering Communications.

All political advertising, whether relating to candidates or ballot propositions, must include the sponsor's name and address. 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 advertisement is not authorized by any candidate, as well as information on who paid for the advertisement. If an advertisement is an independent expenditure or electioneering communication sponsored by a political committee, the top five contributors making contributions in excess of \$700 must be listed. In 2010 the Legislature added an additional requirement that if the sponsor 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 also must be listed in the advertisement.

Summary of Bill:

Public Disclosure Commission.

A sample of any political advertising sponsored by a political committee within the past five years may be requested by the PDC. The PDC's discretion to waive second time violations by

the same person or individual, regardless if the person or individual committed the violation for a different political committee, is removed. Succeeding violations of the same rule shall result in successively increased fines.

Filing Requirements.

Additional information is required to be included on the statement of organization for political committees. The name and address of the committee sponsor must be included if the committee is a sponsored committee.

If the committee has no officers, the names, addresses, and titles of the individuals who direct the activities of the committee and make decisions regarding soliciting contributions or making expenditures of committee funds also must be included.

The term "sponsor" for purposes of a political committee is defined as any person, except a candidate committee, to whom any of the following applies:

- the committee receives 80 percent or more of its contributions either from the person or from the person's members, officers, employees, or shareholders;
- the person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees;
- the person provides, alone or in combination with other organizations, all or nearly all of the administrative services for the committee; or
- the person sets, alone or in combination with other organizations, the policies for soliciting contributions or making expenditures of committee funds.

A "sponsored committee" is defined as a committee, other than a controlled committee, that has one or more sponsors.

Political Advertising.

The requirement for listing the top five contributors on independent expenditures or electioneering communications sponsored by political committees is extended to all political advertising, which includes political committees that support or oppose ballot measures. The statute relating to political advertising is reorganized for clarity.

With some exceptions, political committees are required to keep sample copies of all their political ads on file for a period of five years. In the eight days immediately preceding an election when a committee's books of accounts must be open for public inspection, samples of its political ads must be available as well. The committee must provide samples of its political ads to the PDC upon request by the PDC.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 2012.