

# HOUSE BILL REPORT

## HB 2499

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### As Amended by the Senate

**Title:** An act relating to expanding disclosure of political advertising to include advertising supporting or opposing ballot measures.

**Brief Description:** Expanding disclosure of political advertising to include advertising supporting or opposing ballot measures.

**Sponsors:** Representatives Billig, Finn, Hunt, Appleton, Hasegawa, Reykdal, Lias, Ormsby, Sells, Jenkins, Fitzgibbon, Kagi, Miloscia, Kelley, Hudgins, Roberts and Pollet.

#### **Brief History:**

##### **Committee Activity:**

State Government & Tribal Affairs: 1/30/12 [DP].

##### **Floor Activity:**

Passed House: 2/9/12, 75-22.

Senate Amended.

Passed Senate: 2/29/12, 34-14.

#### **Brief Summary of Bill**

- Requires political advertising supporting or opposing ballot measures sponsored by a political committee to name the "top five" contributors in the advertisement.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

**Majority Report:** Do pass. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Darneille, Dunshee, Hurst, McCoy and Miloscia.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander and Condotta.

**Staff:** Marsha Reilly (786-7135).

#### **Background:**

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*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.*

All written political advertising must include the sponsor's name and address. Political advertising that is broadcast must include the sponsor's name. 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 must be listed. If the sponsor of the advertisement 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.

Independent expenditures pertain to advertisements made in support of, or opposition to, a candidate. Electioneering communications are advertisements that clearly identify a candidate by either specifically naming the candidate, or identifying the candidate without using his or her name.

A political committee means any person, except a candidate or an individual dealing with his or her own funds or property, having the expectation of receiving contributions or making expenditures in support of, or opposition to, any candidate or any ballot proposition.

**Summary of Bill:**

Political advertising costing \$1,000 or more, that supports or opposes a ballot measure, and is sponsored by a political committee, must include a listing of the names of the five persons or entities making the largest contributions in excess of \$700 during the 12-month period before the date of the advertisement.

**EFFECT OF SENATE AMENDMENT(S):**

The Senate amendment changes the wording of the time period for purposes of determining the top five contributors from "within the 12-month period before the date of the advertisement" to "*within the 12-month period preceding the date on which the advertisement is initially published or otherwise presented to the public.*"

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Until limits on contributions to ballot measure committees are allowed, it is important to pass robust disclosure laws. Currently, there are limits to disclose the top five contributors on independent expenditures and electioneering communications, and this requirement should be extended to political advertising on ballot measures. The process is

broken. In 2010 \$57 million was spent on nine ballot measures and one referendum, most of it from corporate cash. In 2011 \$22 million was spent on one issue. Action must be taken. The amount of money spent on ballot measures is a compelling state interest. Voters need to know who is trying to influence their vote. More transparency is needed to provide the voters with the information needed. The bill represents the issue of fair elections. It is hard to have a fair election if the voter's do not know who is paying for the advertisement. If listing the top five contributors is good enough for advertising involving candidates, it should be good enough for ballot measures. The public has the right to know who is paying for the speech. Elections are always enhanced by greater disclosure and transparency.

(Opposed) A ballot measure campaign is not the same as a candidate campaign. There is an irrational attempt to try to shut the initiative process down. Very few initiatives have passed over the years compared to the number of bills passed by the Legislature. Initiatives would not be necessary if the Legislature were fiscally responsible.

**Persons Testifying:** (In support) Representative Billig, prime sponsor; Craig Salins, Washington Public Campaigns; Andrew Villeneuve, Northwest Progressive Institute; Steve Zemke, King County Democrats; and Steve Breaux, Service Employees International Union Healthcare 775 Northwest.

(Opposed) Shawn Newman, Initiative and Referendum Institute; and Tim Eyman, Voters Want More Choices.

**Persons Signed In To Testify But Not Testifying:** None.