

HOUSE BILL REPORT

SHB 1085

As Passed House:
March 5, 2015

Title: An act relating to requiring lobbying reports to be filed electronically.

Brief Description: Requiring lobbying reports to be filed electronically.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Moeller, Gregerson, S. Hunt, Cody, Hudgins and Pollet).

Brief History:

Committee Activity:

State Government: 1/20/15, 1/29/15 [DP];

Appropriations: 2/11/15, 2/25/15 [DPS].

Floor Activity:

Passed House: 3/5/15, 85-13.

Brief Summary of Substitute Bill

- Requires lobbyists, lobbyist employers, and local agencies that lobby to file lobbying reports over the Internet.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives S. Hunt, Chair; Bergquist, Vice Chair; Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Appleton, Gregory and Hawkins.

Staff: Marsha Reilly (786-7135).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger, Van Werven and Walkinshaw.

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.

Minority Report: Do not pass. Signed by 9 members: Representatives Chandler, Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, Haler, G. Hunt, Schmick and Taylor.

Minority Report: Without recommendation. Signed by 2 members: Representatives Parker, Assistant Ranking Minority Member; Fagan.

Staff: Meghan Bunch (786-7119).

Background:

The Public Disclosure Commission (PDC) was created and empowered by an initiative of the people to provide timely and meaningful public access to information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates. The PDC also ensures compliance with contribution limits and other campaign finance restrictions.

Lobbyists and lobbyist employers are required to register with the PDC and report lobbying activities on a monthly basis. Information reported includes such things as the expenditures for lobbying activities, contributions made to candidates and political committees supporting or opposing ballot measures, subject matters being lobbied, and gifts in the form of food and beverage in excess of \$50.

Unless otherwise expressly authorized by law, state and local agencies may use public funds for lobbying, but that lobbying activity is limited to providing information on matters pertaining to official agency business or advocating the official position or interests of the agency to any elected official, officer, or employee of any agency. Agencies that expend public funds for lobbying must file quarterly statements to the PDC that include information such as the names; titles; job descriptions; and salaries of those who lobbied; a description of the nature of the lobbying; the proportionate amount of time spent on lobbying; and a listing of expenditures incurred for lobbying.

In 1999 electronic filing was made available to candidates, public officials, and political committees for filing financial affairs reports, contribution reports, and expenditure reports. By 2002 it was mandatory. Electronic filing was made available to lobbyists and lobbyist employers for submitting their reports in 2002, although it is not mandatory. Lobbying reports are available on the PDC website, but the format of those reports is not compatible for searching purposes with the current system.

Summary of Substitute Bill:

As of the effective date of the act, local agencies that lobby must file lobbying reports electronically over the Internet. No later than January 1, 2017, all lobbyists and lobbyists' employers must file the required reports electronically over the Internet. The PDC is required to design, develop, implement, and maintain computer hardware and software or other applications to accommodate electronic filing of reports that are compatible with its current architecture, technology, and operating systems.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (State Government):

(In support) This bill has been introduced in previous years, but it had fees associated with it. The fees have been stripped out. It is very difficult for people to keep track of lobbying expenditures. The database must be searchable. While lobbyists may file electronically, it is rarely used. Lobbying reports are hard to read and hard to find. There needs to be an improvement to the lobbyist filing system. The PDC is doing the best they can with what they have. For those who want to file electronically, the PDC system is not compatible with current applications. The public expects everything to be digital. People on the outside need to be assured that everything is done according to law.

(Opposed) None.

(Other) The PDC has not had an opportunity to take a position on the bill. The PDC has, however, consistently approved of bills that allow for more disclosure and transparency. In 2014 nearly \$60 million was spent to influence laws in the state. The PDC concurs that a new lobbyist filing system is needed. The current system was, in its time, one of the best in the nation. The current system is limited and is not compatible with newer applications, and resources must accompany the mandate. Reports that are filed are not easily accessed or searchable. The public expects and deserves this information. The PDC has made requests for technology improvements in its decision package.

Staff Summary of Public Testimony (Appropriations):

(In support) This bill addresses data collection and access to lobbying information. Most people expect information to be readily available and almost instantaneous. The public's access to information is important to make conclusions on the interactions between lobbyists and legislators. With this data, the public can see things are done properly. When the public has a doubt, they can investigate via electronic means.

Currently, about 900 to 1,000 lobbyists or lobbyist employers file monthly reports. About two-thirds of these reports are already filed electronically. The remaining one-third either chooses to file with paper, or cannot file electronically because their technology is incompatible with the Public Disclosure Commission's (PDC's) aged system. Some firms attempt to file reports electronically, but with the PDC's outdated system, they have to keep an older computer around just to file the PDC reports. Sometimes lobbyists must file two or three times, since the PDC's system will either time out, crash, or fail to accept the report.

(Opposed) None.

(Other) The PDC is doing the best they can with the technology they have. To carry out the actions of the bill, the PDC needs a new application. With the proper technology, the PDC can have a system in place according to the bill's timeframe. The PDC will use in-house and contract services, consult with the Office of the Chief Information Office, and engage with stakeholders to design a new system.

Persons Testifying (State Government): (In support) Representative Moeller, prime sponsor; and Steve Gano, Public Disclosure Commission.

(Other) Andrea Doyle, Public Disclosure Commission.

Persons Testifying (Appropriations): (In support) Steve Gano, Gano Associates.

(Other) Andrea Doyle and James Gutholm, Public Disclosure Commission.

Persons Signed In To Testify But Not Testifying (State Government): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.