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## State Government Committee

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### ESB 5153

**Brief Description:** Increasing transparency of campaign contributions.

**Sponsors:** Senators Billig, Roach, Sheldon, Fain, Liias, Mullet, Fraser, Dandel, McCoy, Rolfes, Cleveland, Darneille, Habib, Padden, Nelson, Benton, Chase, Keiser, Jayapal, Hasegawa and Frockt.

#### Brief Summary of Engrossed Bill

- Requires nonprofit organizations that make incidental political contributions and expenditures to report to the Public Disclosure Commission (PDC).
- Requires incidental committees to report annually on the top 10 contributors that exceed \$10,000, and any single contributor of at least \$100,000.
- Makes out-of-state political committees subject to the same reporting requirements to the PDC as in-state political committees.

**Hearing Date:** 3/24/15

**Staff:** Sean Flynn (786-7124).

#### Background:

Washington's campaign finance and disclosure law was enacted by Initiative in 1972. The law requires the disclosure of campaign finances, lobbyist activities, and financial affairs of elective officers and candidates. The Public Disclosure Commission (PDC) was created to enforce the provisions of the campaign finance disclosure law. 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.

Under the campaign finance and disclosure law, a political committee is an entity organized to receive contributions and make expenditures to support or oppose any political candidate or ballot measure. Political committees must file a statement of organization with the PDC by the earlier period of within two weeks of its organization, or within two weeks after the committee

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expects to receive contributions or make expenditures in any election campaign. The statement requires the disclosure of certain information, including the names and addresses of committee members, officers or leaders, treasurer, as well as which candidates and ballot measures the committee supports or opposes.

Political committees must periodically report to the PDC on their contribution and expenditure activities. Reports are due 21 days and seven days before the election, one month after the election, and each month the committee receives or spends at least \$200. An out-of-state political committee must file a statement with the PDC when it makes an expenditure supporting or opposing a Washington candidate or political committee.

**Summary of Bill:**

An incidental committee is defined as any nonprofit organization, not otherwise defined as a political committee or tax-exempt political organizations subject to state or federal reporting requirements, which incidentally makes contributions or expenditures to support or oppose any candidate or ballot measure in Washington.

An incidental committee must file a statement of organization with the PDC if it makes contributions or expenditures of at least \$25,000 in a calendar year for an election campaign or political committee, and receives a contribution from a single source of at least \$10,000. The statement of organization must include:

- the name and addresses of incidental committee members, officers and leaders, treasurer, and affiliated committees or persons;
- the candidates and ballot measures that the incidental committee supports or opposes; and
- any other information required by the PDC consistent with the policies and purposes of campaign finance laws.

An incidental committee must report to the PDC on its contribution and expenditure activities on the date it files its statement of organization as well as 21 days and seven days before the election, and one month after the election. The report must disclose the 10 largest aggregate contributors in a calendar year that exceed \$10,000, and any single contributor of \$100,000 per year. Incidental committees must report monthly if there are any changes within the top 10 contributors or single contributors. The PDC may suspend or modify the reporting requirements of contributions to an incidental committee in cases of manifestly unreasonable hardship.

Political committees located outside the state are no longer subject to different reporting requirements and must comply with the same requirements as committees in the state.

**Appropriation:** None.

**Fiscal Note:** Available.

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