

SENATE BILL REPORT

SB 5308

As of January 27, 2015

Title: An act relating to financial reporting by elected and appointed officials, candidates, and appointees.

Brief Description: Concerning personal financial affairs statement reporting requirements for elected and appointed officials, candidates, and appointees.

Sponsors: Senators Roach, Lias, Danel, McCoy, Pearson and Benton; by request of Public Disclosure Commission.

Brief History:

Committee Activity: Government Operations & Security (Note: Senate Resolution 8609 adopted January 27, 2015, renamed the Committee on Government Operations & State Security to Committee on Government Operations & Security): 1/26/15.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Staff: Samuel Brown (786-7470)

Background: The Public Disclosure Commission (PDC) was created by Initiative 276 in 1972. The PDC is empowered to provide timely public access to information about the financing of political campaigns, lobbyist expenditures, and the financial affairs of public officials and candidates, and to ensure compliance with contribution limits and other campaign finance restrictions.

Every elected official and executive state officer must file a statement of financial affairs, known as an F-1 statement, for the preceding calendar year with the PDC between January 1 and April 15. The F-1 statement requires disclosure of financial and personal information relating to the filer and the filer's immediate family. Dollar code ranges are given to identify the value of the filer and filer's immediate family's assets. Required items for disclosure include the following:

- the filer and filer's immediate family members' occupation, name of employer, and business address;
- compensation for preparing, promoting, or opposing legislation or agency rules, rates, or standards;
- real property holdings;

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- bank accounts, insurance policies, stocks, mutual funds, and other intangible personal property holdings;
- any ownership interests of 10 percent or greater in private entities, and, if applicable, compensation;
- any gifts of food or beverage in excess of \$50; and
- any other information deemed necessary by the PDC.

The PDC may grant a reporting modification and waive completion of any part of the F-1 reporting requirement where the requirement imposes extreme hardship on the filer and the modification would not frustrate the PDC's purposes of increased disclosure and access. The waiver, which lasts for one year, may only be granted after a hearing on the request.

Summary of Bill: Changes are made to laws governing the content of F-1 statements.

Reporting Modifications. The PDC may grant an F-1 reporting modification for the length of an elected official's term of office or, in the case of an appointed official, for up to three years, where no material change in the circumstances forming the basis for the hardship exemption is anticipated.

Investment Disclosure. Stocks, bonds, and other intangible assets need be reported on the F-1 statement when valued at \$5,000 or more, rather than the current level of \$2,000 or more. Such investments may be reported using the year-end value, rather than the peak value during the reporting period.

Residence Disclosure. The residence of a judge, prosecuting attorney, or sheriff may be identified by city and county rather than street address.

Dollar Code Ranges. The dollar code ranges used to identify the value of assets are modified as follows:

	Existing Range	Modified Range
Code A	\$0 – \$3,999	\$0 – \$29,999
Code B	\$4,000 – \$19,999	\$30,000 – \$59,999
Code C	\$20,000 – \$39,999	\$60,000 – \$99,999
Code D	\$40,000 – \$99,999	\$100,000 – \$199,999
Code E	\$100,000 or more	\$200,000 – \$499,999
Code F	(none)	\$500,000 – \$749,999
Code G	(none)	\$750,000 – \$999,999
Code H	(none)	\$1 million or more

Inflation-adjusted thresholds adopted by the PDC by rule are also incorporated into law.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill responds to media and stakeholder comments that the F-1 form should be updated and modernized to be more meaningful, while addressing filers' concerns that some of the requirements are burdensome. The bill would create savings through efficiencies for the PDC. The PDC convened a workgroup and took public comment. The adjustments in the bill strike what PDC determined to be the balance between the public's right to know and the concerns of filers. The PDC's experience is that those working in the law enforcement arena have more commonly requested modification of the disclosure of their residence. In practice, individuals have some experience demonstrating a particularized concern for their safety, such as operating a mental health docket, or having obtained a no-contact order. County clerks would like to be included as well, because they have to sign subpoenas, writs, and other court documents.

CON: Residences should be reported the same way as under current practice, in response to an actual threat. People have to run for election, file for election, and live in their particular district. Everyone who reports in this way has a voter registration, their residence, and other tax documentation on file elsewhere. County officials handle property valuations and tax assessments; fairness of valuation is a matter of great concern. There's the possibility that someone who works in a courthouse has a lower property valuation than that of their neighbors. The safest way to hide is to not run; if you think you're truly vulnerable, you shouldn't run for office. This bill doesn't accomplish what it seeks to, and implies a false sense of security.

Persons Testifying: PRO: Senator Roach, prime sponsor; Andrea McNamara Doyle, PDC; Michael Shaw, County Clerks.

CON: Rowland Thompson, Allied Daily Newspapers of WA.