SENATE BILL REPORT
SB 5409

As of January 26, 2015

Title: An act relating to the use of credit cards for campaign expenditures.

Brief Description: Concerning the use of credit cards for campaign expenditures.

Sponsors: Senators Roach, Rivers, Angel and Benton.

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: Within two weeks of becoming a candidate, each candidate must designate to the Public Disclosure Commission (PDC) a legally competent individual to serve as the candidate's campaign treasurer. A candidate may serve as their own campaign treasurer. The treasurer is responsible for filing reports with the PDC detailing the campaign's contributions received and expenditures made at the following intervals:
   • on the tenth day of the month, if the candidate has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last report exceed $200;
   • 21 days before the election;
   • seven days before the election; and
   • on the tenth day of the month following the election.

The report of contributions and expenditures must contain the following information:
   • funds on hand at the beginning of the reporting period;
   • the names and addresses of contributors of more than $25 during the period;
   • loans, promissory notes, or securities to be used by the candidate, including the dates and amounts of loans, and the persons liable for the loan;
   • the name and address of each person to whom an expenditure was made;
   • the name and address of each person owed for any debt of at least $250 or, if the debt is outstanding for over 30 days, of at least $50;
   • the surplus or deficit of contributions over expenditures;

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- disposition of any surplus funds; and
- any other information required by the PDC by rule.

Summary of Bill: On the day a candidate designates their campaign's treasurer, the candidate must also declare whether they will use a credit card for campaign expenditures.

Monthly contribution and expenditure reports must include the following:
- whether each campaign expenditure was made by credit card;
- any credit card balance incurred for campaign-related expenditures; and
- sources of funds used to pay the campaign-related credit card balance.

Credit card balances for campaign-related expenditures owed by candidates must be paid in full within 30 days.

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: One can use a credit card for just about anything in a campaign. But in the last couple of campaigns, I've had opponents who have used credit cards, and I wondered who was paying for it. If someone doesn't have assets or a job, it seems like something funny is going on. This is an area of our public disclosure system that needs review, and it would help the public understand what's going on.

OTHER: The PDC has not taken an official position on the bill. PDC staff is not aware of major complaints, questions, or concerns raised about the issue. Current law addresses these issues, and to make the changes proposed would be a substantial alteration in the way campaigns report and with PDC forms. The PDC has statutory authority to audit campaigns, but doesn't have the resources to perform the audits the PDC used to perform.

Persons Testifying: PRO: Senator Roach, prime sponsor.

OTHER: Andrea McNamara Doyle, PDC.