

SENATE BILL REPORT

HB 1833

As of February 20, 2018

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

Brief Description: Concerning financial reporting by elected and appointed officials, candidates, and appointees.

Sponsors: Representatives Dolan, Doglio, Jenkins and Ortiz-Self; by request of Public Disclosure Commission.

Brief History: Passed House: 3/07/17, 97-0; 2/14/18, 98-0.

Committee Activity: State Government: 3/22/17, 3/29/17 [DPA].
State Government, Tribal Relations & Elections: 2/19/18.

Brief Summary of Bill

- Adjusts the personal financial affairs dollar code thresholds for reporting purposes.
- Allows suspension or modification of reporting personal financial affairs for multiple years where no material change is anticipated.
- Exempts judges, prosecutors, sheriffs, or their immediate family members from disclosing the mailing address of the real property in which they reside.
- Allows reporting of investments and real estate to year-end value rather than highest value during the reporting period.

SENATE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended.

Signed by Senators Miloscia, Chair; Zeiger, Vice Chair; Hunt, Ranking Minority Member; Kuderer and Pearson.

Staff: Samuel Brown (786-7470)

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.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS

Staff: Samuel Brown (786-7470)

Background: Public Disclosure Commission (PDC). The PDC was created by Initiative 276 in 1972 and 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.

F-1 Statement. 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;
- 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.

Reporting Modifications. 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: Dollar Code Ranges. The dollar code ranges used to identify the value of assets on the F-1 statement are modified as follows:

Dollar Code	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	\$1,000,000 or more

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

Reporting Modifications. The PDC may grant a 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 Disclosures. Reporting of intangible personal property, such as stocks and bonds, requires inclusion of the name and nature of the direct financial interest. Ownership of shares of multiple mutual funds within the same mutual fund family may be disclosed by the mutual fund family name. The year-end value of investments and real estate may be reported rather than the highest value during the reporting period.

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

Initial Filing Deadline. An official or officer appointed in the month of December must file a statement by January 15 of the following year, which includes reporting through the end of the previous year. That initial filing satisfies the reporting requirement for the preceding year.

Enforcement Authority. The PDC may order a person in violation of campaign finance laws to take specific action to come into compliance.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on House Bill (State Government): *Testimony from 2017 Regular Session. The committee recommended a different version of the bill than what was heard.* PRO: Filling out the F-1 report is modernized and made easier. Changing the reporting codes gives voters a better idea of filers' assets. This is an efficiency bill that will provide the public with more information. The PDC routinely grants waivers for these elected officials, but it's inefficient to have to do so each year.

CON: The public should be able to know the value and general location of the residence of these law enforcement officials who hold significant power. The PDC could require them to use a legal description under current law. It's a matter of interest to Thurston County voters that one of their judges resides in Pierce County.

Persons Testifying (State Government): PRO: Representative Laurie Dolan, Prime Sponsor; Evelyn Fielding-Lopez, PDC.

CON: Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying (State Government): No one.

Staff Summary of Public Testimony (State Government, Tribal Relations & Elections):

PRO: This will streamline the process and make it easier to file the F-1 statement. The public will get the information they deserve, and filers will get their filings correct.

OTHER: It is not an onerous process to ask for a reporting modification, and elected officials should continue to do so. Choosing these three offices is a slippery slope that will result in other elected officials asking for the waiver of disclosure of their residential addresses.

Persons Testifying (State Government, Tribal Relations & Elections): PRO: Representative Laurie Dolan, Prime Sponsor; Peter Lavalley, PDC.

OTHER: Rowland Thompson, Allied Daily Newspapers of Washington.

Persons Signed In To Testify But Not Testifying (State Government, Tribal Relations & Elections): No one.