
**State Government & Tribal Relations
Committee**

HB 2397

Brief Description: Transferring oversight of filings of statements of financial affairs by legislative staff from the public disclosure commission to the legislative ethics board.

Sponsors: Representatives Hudgins and Smith.

Brief Summary of Bill

- Transfers the responsibility to create, maintain, and oversee statements of financial affairs for professional legislative staff members from the Public Disclosure Commission to the Legislative Ethics Board.
- Limits the disclosure of such statements to certain law enforcement officers in the course of an investigation, unless such an investigation reveals an act involving moral turpitude.

Hearing Date: 1/14/20

Staff: Jason Zolle (786-7124).

Background:

Statements of Financial Affairs.

Every year, all elected officials and state executive officers must file a Statement of Financial Affairs for the preceding calendar year with the Public Disclosure Commission (PDC). Statements are also required of every candidate for such elected offices. These statements are called F-1 statements. According to the PDC, the F-1s are intended to allow the public to assess whether state officials may have conflicts of interest.

"Executive state officer" is defined to include the director of many state agencies, councils, and commissions. It also includes every professional staff member off the Office of the Governor and of the Legislature.

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.

Subject to certain monetary thresholds, the F-1 statements must include information about a person's:

- bank accounts, savings accounts, and insurance policies;
- debts;
- other public or private offices, directorships, and positions as a trustee;
- other sources of compensation;
- real property ownership and interests in Washington; and
- acceptance of food, beverage, and gifts.

The PDC may also require other information in an F-1 statement as it deems necessary.

Upon request, the PDC may suspend or modify any of the F-1 reporting requirements if the majority of the commissioners find that the requirements impose a manifestly unreasonable hardship and the suspension or modification will not frustrate the PDC's purpose.

In 2019 the Legislature passed House Bill 1195, which in relevant part specified that the F-1 statements are public records but prohibited the PDC from posting any F-1 statements online. The Governor vetoed this section, however.

The Legislative Ethics Board.

The Legislative Ethics Board (Board) is responsible for enforcing laws related to ethics in public service with respect to members and employees of the Legislature. The Board's duties include developing educational and training materials, issuing advisory opinions, and adjudicating ethics complaints and imposing sanctions.

Summary of Bill:

Professional staff members of the Legislature are no longer required to submit F-1 statements to the PDC. Instead, the Legislative Ethics Board must create statements of financial affairs for such staff members, which must include substantially similar disclosures as the F-1 statements. Professional legislative staff members must file these statements with the Board annually. The Board also has authority to suspend or modify reporting requirements under the "manifestly unreasonable hardship" standard. Over time, the Board must adjust the reporting thresholds for inflation.

Statements filed by professional legislative staff members may be disclosed only to certain law enforcement agencies related to an ongoing investigation concerning the staff member, unless such an investigation reveals an act involving moral turpitude, in which case the records may be disclosed subject to the Public Records Act and its exemptions. Financial statements of professional legislative staff members previously filed with the PDC may not be posted online.

Professional staff members of the Legislature are employees whose jobs include the exercise of judgment and discretion in policy-related matters. It does not include individuals whose job duties are primarily clerical, ministerial, or related to internal accounting and bookkeeping.

Appropriation: None.

Fiscal Note: Not requested.

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