

FINAL BILL REPORT

3SHB 1226

C 348 L 06

Synopsis as Enacted

Brief Description: Adjusting application of campaign contribution limits.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Schual-Berke, Tom, Haigh, Cody, Fromhold, Jarrett, Hudgins, Conway, Appleton, Flannigan, Murray, McCoy, Lantz, Hasegawa, Williams, Kagi, Ormsby, Morrell, Chase, Dickerson, Kenney and Sells).

House Committee on State Government Operations & Accountability

House Committee on Appropriations

Senate Committee on Government Operations & Elections

Background:

Campaign Contribution Limits

The Fair Campaign Practices Act was enacted with the passage of Initiative 134 in 1992. The initiative imposed campaign contribution limits, further regulated independent expenditures, restricted the use of public funds for political purposes, and required public officials to report gifts received in excess of \$50. The contribution limits imposed by Initiative 134 apply only to elections for statewide office and elections for state legislative office. Contribution limits imposed on an individual, a union, a business, or a political action committee are an aggregate of \$700 per election to a candidate for state legislative office and an aggregate of \$1,400 per election to a candidate for statewide office. These limits are adjusted for inflation by the Public Disclosure Commission (PDC) every two years.

Disclosure for In-State Political Committees

The PDC enforces campaign finance laws for political committees participating in state elections. A political committee is any person (except a candidate or an individual dealing with his or her own resources) who expects to receive contributions or make expenditures to support or oppose a candidate or ballot measure. This includes political parties, political action committees, one-issue groups that disband after a single election, and proponents and opponents of state or local ballot measures that raise or spend money to support or oppose that measure.

Within two weeks of forming, or receiving or spending funds, an in-state political committee must file a statement of organization with the PDC and file monthly contribution and expenditure reports, as long as the total expenditures and contributions exceed \$200. If the committee is involved in an election, weekly reports must be filed beginning four months before a special or general election. Special reports are required 21 days before an election, current to within five business days, and seven days before an election, current to within one

business day. Late contributions and expenditures of \$1,000 or more must be reported if made or received within seven days of a primary election or 21 days of a general election.

Disclosure for Out-of-State Political Committees

The Federal Elections Commission (FEC) enforces campaign finance laws for political committees participating in federal elections. Political committees participating in federal elections must file a statement of organization and detailed quarterly reports of contribution and expenditure activity. During a federal election year, political committees must file monthly reports to the FEC, due on the 20th day of the following month.

An out-of-state political committee that supports or opposes candidates or ballot measures in this state must submit a report to the PDC when it makes an expenditure of \$50 or more supporting or opposing a Washington state candidate or political committee. If an out-of-state committee is required to file campaign reports with the FEC, the committee is exempted from in-state reporting. Out-of-state political committees must abide by the contribution limits of the state.

Summary:

Campaign Contribution Limits

Campaign contribution limits are extended to:

- (1) candidates for county office in a county that has over 200,000 registered voters;
- (2) candidates for special purpose district office in districts authorized to provide freight and passenger transfer and terminal facilities and that have over 200,000 registered voters;
and
- (3) candidates for judicial office.

Contribution limits imposed for candidates for county office may not exceed an aggregate of \$700 per election from an individual, a union, a business, or a political action committee. Limits imposed for candidates for special purpose district office or judicial office may not exceed an aggregate of \$1,400 per election from an individual, a union or business, or a political action committee. Political party contribution limits also apply.

Contributions to candidates for whom the new limits apply that are received before the effective date of the act are considered to be contributions for the purposes of campaign contribution limits statutes. Contributions that exceed the limitations and have not been spent by the recipient by the effective date of the act must be disposed of in accordance with the laws regarding disposal of surplus funds, except that the surplus funds may not be held by the candidate for a future election or be used for non-reimbursed public office-related expenses.

Out-of-State Political Committees

Provisions related to campaign contribution disclosure by out-of-state political committees are changed. Out-of-state committees must report contributions of \$2,500 or more made by out-of-state residents and corporations, and the required reports must be submitted to the PDC

by the 10th of each month. The provision is removed that exempted out-of-state political committees reporting to the FEC from reporting to the PDC.

Votes on Final Passage:

House	58	40	
Senate	36	11	(Senate amended)
House	56	40	(House concurred)

Effective: June 7, 2006