



## State of Washington PUBLIC DISCLOSURE COMMISSION

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February 20, 2014

TO: Commission Members  
FROM: Andrea McNamara Doyle  
RE: Legislative/Budget Report for February 2014

Key dates for the remainder of the 2014 Session:

- February 28 Deadline for bills to be passed out of opposition house policy committees
- March 3 Opposite house fiscal cutoff
- March 7 Deadline for bills to be passed out of opposite chamber
- March 13 Last day of regular session

### **PDC AGENCY REQUEST BILLS & COMMISSIONER APPOINTMENTS**

**[HB 1377](#) (Bergquist)/[SB 5257](#) (Roach) *Modifying timeframes applicable to certain public disclosure commission requirements.***

Both PDC-request bills were re-introduced and retained in their respective chambers' Rules Committee at the start of the 2014 session.

No floor action on either bill occurred before the floor cutoff.

### **[SGA 9090](#) Grant Degginger**

Commissioner Degginger's gubernatorial appointment is in the Senate Rules Committee, where it continues awaits floor action along with 30+ other appointees.

### **SGA \_\_\_\_\_ Katrina Asay**

Once Commissioner Asay's appointment paperwork is transmitted by the Governor's office to the Senate, a number will be assigned. Given the point in session we are at now, it is likely her confirmation hearing will not be scheduled until next session.

### **OTHER BILLS STILL ACTIVE THIS SESSION**

**[HB 1005](#) (Moeller) *Concerning PDC responsibilities and funding. Title revised for 3<sup>rd</sup> Substitute: Requiring certain campaign [sic] lobbying reports to be filed electronically.***

In 2013, this bill combined the previously separate proposals concerning (1) imposing new filing fees & mandatory electronic filing for lobbyists with (2) transferring jurisdiction over the Ethics in Public Service Act from the Legislative and Executive Ethics Boards to the PDC.

The bill was re-introduced and referred back to the House Appropriations Committee in 2014, where it was amended on February 10 to remove the proposed filing fee and ethics merger, and retain the mandatory electronic filing by lobbyists. The amendment also changed the funding mechanism by removing the proposed filing fee so that the funding for the replacement e-filing system would be paid for by state general funds.

**The bill passed the House (97-0) after being further amended to remove the emergency clause and extend the effective date for the mandatory e-filing to January 1, 2016. It was referred to the Senate Governmental Operation Committee on February 19, but has not been scheduled for a public hearing before the next applicable cutoff date.**

**[HB 2106](#) (Hawkins) *Concerning primaries for county offices.***

This bill would add a provision to election law that if no more than one candidate files for any single county partisan office to fill an unexpired term, a primary for that office may not be held.

The bill passed the House on January 27 (86-10) and is **scheduled for public hearing in the Senate Committee on Governmental Operations on February 20.**

**[HB 2121](#) (Pollet) *Concerning training public officials and employees regarding public records, records management, and open public meetings requirements.***

This measure would require: (1) training for members of a governing body of a public agency on the Open Public Meetings Act (OPMA); (2) training for elected state and local officials and agency public records officers on the Public Records Act (PRA); and (3) training for elected state and local officials and agency records retention officers on the preservation and destruction of public records.

The bill passed the House (64-34) and is **scheduled for a public hearing in the Senate Committee on Governmental Operations on February 25.**

**[HB 2552](#) (Reykdal) *Concerning signature gathering for initiative, referendum, and recall petitions.***

This bill would require paid signature gatherers and signature gathering businesses that use paid signature gatherers to register with the Secretary of State's office. The bill prescribes the registration requirements and standards. It would also require the declarations on petitions for recall elections, referenda, and initiatives be signed by the signature gatherer.

The bill passed the House (71-26) and was **referred to the Senate Committee on Governmental Operations.**

**[SB 5964](#) (Fain) *Concerning training public officials and employees regarding public records, records management, and open public meetings requirements.***

This bill establishes the open government trainings act and requires every member of the governing body of a public agency to complete training on the requirements of the open public meetings act. It would require each elected state or local official and each person appointed to fill a vacancy in elective office, who is subject to the requirements of the public records act, to complete a training course regarding the provisions of the public records act and the provisions of chapter 40.14 RCW for records retention. It would also require certain designated public records officers to complete a training course regarding the provisions of the public records act and the provisions of chapter 40.14 RCW for records retention.

The bill passed the Senate (45-2) and is **scheduled for a public hearing in the House Committee on Government Operations & Elections on February 25.**

**[SB 5981](#) (Sheldon) *Increasing the number of superior court judges in Mason county.***

This bill would increase the number of statutorily authorized superior court judges in Mason County from two to three, subject to the county paying its share of the cost without reimbursement from the state.

The bill passed the Senate (49-0) and is **scheduled for a public hearing in the House Judiciary Committee on February 20.**

**[SB 6059](#) (Brown) *Concerning charges for scanning public records.***

This bill would authorize agencies to recover actual per page costs of scanning records provided in response to public records requests, or no more than 15 cents per page if the agency has not determined the actual cost.

The bill passed the Senate (48-0) and is **scheduled for a public hearing in the House Committee on Governmental Operations & Elections on February 25.**

## **OTHER BILLS NOT SURVIVING MOST RECENT CUTOFF**

### **Campaign Finance/Disclosure**

**[HB 2222](#) (Manweller) *Providing that legal services provided by a licensed attorney are not regulated campaign contributions or expenditures.***

This bill would change the definition of "contribution," for the purposes of limits and disclosure requirements, by excluding from the definition "legal services, including but not limited to direct representation, provided by or at the direction of a licensed attorney, whether by an attorney individually, or as part of a profit or nonprofit firm, to any person, that assists the person in securing or enforcing any right under the United States or Washington state Constitution, or under federal or state civil rights statutes."

The bill was heard in House Committee on Government Operations & Elections on January 28, but it **did not pass out of committee before the policy committee cutoff.**

**HB 2525 (Carlyle) *Providing public funding for supreme court campaigns.***

This bill would establish the judicial election reform act and protects the fairness of elections for the state supreme court. It would introduce a voluntary pilot project to provide an alternative source of financing candidates for the state supreme court who demonstrates public support and voluntarily accept strict fundraising and spending limits. It would also create the judicial election reform act fund.

This bill was heard in the House Committee on Government Operations & Elections on January 31, but it **did not pass out of committee before the policy committee cutoff.**

**SB 5988 (Fain) *Restricting the solicitation and acceptance of campaign contributions.***

This bill would prohibit, in odd-number years, campaign fundraising by any state officials or persons acting on their behalf, during any period the Legislature is not in session if the Legislature has not submitted to the Governor a biennial budget bill. It would also prohibit the Governor from raising campaign funds during the 20-day post-session period provided by the state Constitution for consideration of vetoes.

The bill was placed on second reading by Rules Committee on January 21, but it **did not pass the Senate before the floor cutoff.**

**SB 6097 (Billig) *Facilitating and regulating contributions via text message to political campaign.***

This bill would authorize candidates and political committees to accept up to fifty dollars in the aggregate via text message from persons without having to identify the contributor in their reports, and would exempt such text message contributions from contribution limits. The bill would allow committees to report all text message contributions as one lump sum per reporting period, so long as the treasurer maintains a separate and private list of the account holder's name, phone number, and amount of each text message contribution. The bill would require the Commission to adopt rules regarding text message contributions by January 31, 2015, the date that the rest of the bill's provisions would take effect.

The bill was heard in Senate Committee on Governmental Operations on January 23, but it **did not pass out of committee before the policy committee cutoff.**

**SB 6098 (Billig) *Increasing transparency of campaign contributions.***

This bill seeks to require disclosure of contributions and expenditures by nonprofit organizations that participate significantly in Washington elections. It would expand the definition of "electioneering communication" to cover ballot measures, and would extend the timeframe in which electioneering communications must be reported from 60 to 90 days before any election. The bill would also create a new category of "political committee" called an "incidental committee" that would include nonprofits or any other entity that has the expectation of receiving contributions or making expenditures of at least \$100,000 in an election campaign for statewide office or a statewide ballot measure, or \$20,000 in any other election campaign in Washington. Incidental committees would be subject to the same registration and reporting requirements as political committees, and the circumstances are

prescribed under which they could segregate funds so that only their contributions and expenditures made for political purposes need to be reported. The bill would eliminate current law provisions allowing out-of-state political committees to report differently than in-state committees.

The bill was placed on second reading by Rules Committee on February 11, but it **did not pass the Senate before the floor cutoff**.

**[SB 6165](#) (Hasagawa) *Concerning accountability in caucus political committee accounts.***

This bill would authorize the Commission, as it deems appropriate, to conduct annual audits or investigations of the expenditures, receipts, debts, and obligations of each caucus political committee.

The bill passed to Rules Committee for second reading on January 28, but it **did not pass the Senate before the floor cutoff**.

**[SB 6166](#) (Roach) *Concerning the use of credit cards for campaign expenditures.***

This bill would regulate the use of credit cards for candidate campaign expenditures by: (1) requiring a candidate to declare on the day his or her treasurer is designated, whether the candidate will use a credit card for campaign expenditures; (2) requiring the candidate's C-4 reports to indicate whether a credit card was used to make each expenditure; and (3) requiring the credit card balance for campaign expenditures paid during the period to be reported, along with the sources of funds used to pay the credit card balance; and (4) requiring credit card balances for all campaign-related expenditures to be paid off in full within 30 days and specifying that the failure to do so is a violation of chapter 42.17A.

The bill was heard in the Senate Committee on Governmental Operations on January 27, but it **did not pass out of committee before the policy committee cutoff**.

**[SB 6371](#) (Roach) *Removing the requirement that candidates and authorized committees must file contribution & expenditure reports electronically.***

This bill amends the mandatory electronic filing requirement for certain campaign finance filings. It provides that candidates (or their authorized committees) who raise or spend more than \$5,000 may file contribution and expenditure reports in written form by e-mail or fax.

The bill was heard in Senate Committee on Governmental Operations on January 28, but it **did not pass out of committee before the policy committee cutoff**.

## **Elections**

**[HB 2750](#) (Christian) *Allowing a write-in candidate's name to be printed on a general election ballot under certain conditions.***

This bill would authorize a person wishing to file as a write-in candidate for the general election to have his or her name printed on the general election ballot if certain conditions are met.

This bill was heard in the House Committee on Government Operations & Elections on February 5, but it **did not pass out of committee before the policy committee cutoff.**

**[SB 6004](#) (Hasegawa) *Concerning the election of public hospital district boards of commissions.***

This bill would require that for hospital districts with populations of more than 290,000, commissioner elections must be held by district, rather than at-large, and that candidates must be registered voters residing within the commissioner district they are seeking to represent.

This bill was placed on second reading by Rules Committee on January 28, but it **did not pass the Senate before the floor cutoff.**

**[SB 6088](#) (Baumgartner) *Reducing the size of the state supreme court.***

This bill would reduce from nine to seven the number of supreme court justices (through vacancy by death, resignation or otherwise), and provides that no fewer than two and no more than three may be elected at each biennial general election.

The bill was passed to Rules Committee for second reading on February 4, but it **did not pass the Senate before the floor cutoff.**

**[SB 6303](#) (Honeyford) *Modifying withdrawal of candidacy provisions.***

This bill would require the last day of filing a declaration of candidacy for an office to be extended by an additional seventy-two hours if an incumbent officeholder who has filed for re-election later withdraws his or her candidacy.

This bill was heard in the Senate Committee on Governmental Operations on January 30, but it **did not pass out of committee before the policy committee cutoff.**

**Ethics**

**[SB 6448](#) (Padden) *Authorizing establishment of ethics defense trust funds.***

This bill would authorize a state officer holding an elective office to establish an ethics defense trust fund and name a trustee if the elective state officer is subject to a complaint for an ethics violation.

The bill was placed on second reading by Rules Committee on February 13, but it **did not pass the Senate before the floor cutoff.**

**IT/Data**

**[HB 2202](#) (Carlyle) *Establishment of open data policy.***

This bill requires the chief information officer to coordinate implementation and expansion of an open data portal to facilitate the sharing and publication of government data in an open format. It would require certain agencies to provide to the office of the chief information officer a proposed compliance plan which shall include a catalog of the agency's public data sets and a timeline for making each data set publicly available in an open format.

The bill was passed to Rules Committee for second reading on February 11, but it **did not pass the House before the floor cutoff.**

**[HB 2564 \(Robinson\)](#) *Authorizing use of electronic signatures by state agencies.***

This bill provides that, under specified circumstances, state agencies may use or accept secure electronic signatures for any written communication that requires a signature. The bill defines terms and prescribes the circumstances under which agencies may use or accept electronic signatures, including complying with any rules, policies, or technical standards established by the Office of the Chief Information.

The bill was referred to Government Operations & Elections on January 21, but **no public hearing was scheduled.**

**Lobbying & Lobbyist Reporting**

**[HB 2727 \(Hunt\)](#) *Reporting by lobbyists and lobbyists' employers.***

This bill would require lobbyists and their employers to file their lobbying reports electronically beginning in January of 2015. It would also raise the threshold from \$25 to \$75 per occasion when lobbyists must provide detailed reporting of entertainment expenditures, including the names of persons taking part and the per-person attribution of expenses. The bill also provides for alternative reporting of reception expenses by lobbyists, where only the total cost of the event must be reported when all members of the legislature are invited. For entertainment events involving ten or more persons, the bill would allow for expenses to be reported as an average per person cost, unless a legislator requested the actual cost consumed by the legislator be reported.

The bill was referred to the House Government Operations and Elections Committee but **no public hearing was scheduled.**

**[HB 2768 \(Hunt\)](#) *Reporting by lobbyists and lobbyists' employers.***

This bill would require lobbyists and their employers to file their lobbying reports electronically beginning in January of 2015. The bill also provides for alternative reporting of reception expenses by lobbyists, where only the total cost of the event must be reported when all members of the legislature are invited. For entertainment events involving ten or more persons, the bill would allow for expenses to be reported as an average per person cost, unless a legislator requested the actual cost consumed by the legislator be reported.

The bill was referred to the House Government Operations and Elections Committee but **no public hearing was scheduled.**

**[SB 6414](#) (Fain) *Improving lobbyist reporting and disclosure.***

This bill would require certain agencies, lobbyists, and lobbyists' employers to file required reports electronically over the internet as provided by the Public Disclosure Commission. It would require the appropriate ethics boards to define the limits of accepting gifts in the form of food or beverage and require lobbyists who must report entertainment expenditures to pay a fee of two hundred dollars to the Commission each calendar year that they are required to report. It would also create the Public Disclosure electronic filing account.

The bill was referred to Governmental Operation on January 24, but **no public hearing was scheduled.**

**PDC**

**[SB 6323](#) (Brown) *Changing public disclosure commission membership provisions.***

This bill would terminate the terms of all existing PDC Commission members effective July 1, 2014, and alter the terms and appointment process for new commissioners. The leader of each of the four legislative caucuses must appoint one member by September 1, 2014, and then the four newly appointed members must collectively appoint a fifth member, who would act as the chair, no later than January 1, 2015. If the four members fail to appoint a fifth, the chair position must rotate among the appointed members annually in the order of their appointment until a fifth member is agreed upon. The bill changes the term from five years to four years, but allows for more than one term in the discretion of the appointing authority. The bill provides that vacancies would be filled by the original appointing authority, or their successor, within three months.

The bill was scheduled for a public hearing in the Senate Committee on Governmental Operations, but **the public hearing was cancelled, and the bill did not pass out of committee before the policy committee cutoff.**

**Personal Financial Affairs**

**[HB 2340](#) (Cody) *Creating the Washington health benefit exchange as a state agency.***

This bill would convert the existing health benefit exchange from a public-private partnership into a state agency, and add the agency director to the list of state officials who are required to file annual personal financial affairs (F-1) statements with the Public Disclosure Commission.

The bill was heard in the House Committee on Health Care & Wellness on February 3, but it **did not pass out of committee before the policy committee cutoff.**

**Use of Public Facilities**

**[SB 6164](#) (Roach) *Allowing standing committees of the legislature to hold a public hearing on a ballot proposition.***



This bill would allow a standing committee of the legislature to hold a public hearing on a ballot proposition.

The bill was passed to Rules Committee for second reading on February 5, but it did **not pass the Senate before the floor cutoff**.

## **BUDGET UPDATE**

The state Economic and Revenue Forecast Council met February 19 to adopt the new quarterly forecast, which shows a slight increase in General Fund collections over the previous forecast. Attached is a copy of news release announcing the forecast.

Now that this forecast has been released, the House and Senate will work to finalize their supplemental budget proposals, and will devote the remainder of the session attempting to reach a compromise. I have been in contact with budget committee staff and members in both chambers in an effort to have our PDC decision packages included in the supplemental budget, but neither side has released its proposal yet.

Attachment: 2014-2-19 February Revenue Forecast



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**FOR IMMEDIATE RELEASE:** Feb. 19, 2014

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## **State revenue projection flat as slow economic recovery continues**

Forecast for 2015–17 biennium includes state’s first marijuana revenue projection

**OLYMPIA** – The February revenue forecast for Washington’s current two-year budget shows projected General Fund revenue increasing slightly — by \$30 million — compared to the previous forecast in November. The figures updating the revenue projections for the next six years were released today by the Washington State Economic and Revenue Forecast Council.

“As has been true for some time, we are continuing to forecast slow economic growth,” said Steve Lerch, forecast council executive director. “While the economy continues to recover, we are still seeing below-average growth in personal income and revenue.”

General Fund collections are projected to total \$33 billion for the current two-year budget cycle (2013–15), which began July 1, 2013, and ends June 30, 2015.

The forecast council today also increased its forecast for the 2015–17 biennium by \$82 million, which includes a projected \$51 million in revenue from marijuana production and sales. Today’s forecast marks the first time the forecast council has included marijuana in its revenue projections since the passage of Initiative 502, a 2012 ballot measure that legalized marijuana in Washington.

Overall General Fund collections are now projected to total \$35.7 billion for the 2015–17 biennium.

Based on today’s forecast for the remainder of the 2013–15 biennium, Office of Financial Management Director David Schumacher announced that revenue collections had not grown enough to trigger an automatic 1 percent pay increase for many state employees.

Under the 2013–15 state budget and terms of the state’s current collective bargaining agreements with unions representing many state employees, salaries would have been increased by 1 percent if, as a result of increased economic activity, today’s forecast had been at least \$200 million higher than what was forecast in September 2012. Revenue growth generated by economic changes has increased by only \$11.7 million over that period.

“By the end of this biennium, state employees will have gone seven years without a general wage increase,” Schumacher said. “We face a number of big challenges in the next biennium — in addition to finding new funding to meet our constitutional basic education obligation, Gov. Inslee has made it clear he intends to address a growing backlog of compensation issues.”

The council also adopted its initial 2017–19 forecast, which projects revenue collections will total \$38.7 billion for the two-year budget that begins July 1, 2017.

The next revenue forecast is scheduled for release June 18.