

HOUSE BILL REPORT

HB 1104

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to the disposal of surplus funds of candidates or political committees.

Brief Description: Modifying the disposal of surplus funds of candidates or political committees.

Sponsors: Representatives Green, Haigh, Nixon, Talcott and Shabro.

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/28/05, 2/11/05 [DPS].

Brief Summary of Substitute Bill

- Allows surplus campaign funds to be transferred to the Oral History, State Library and Archives Account or the Legislative International Trade Account.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Hannah Lidman (786-7291) and Marsha Reilly (786-7135).

Background:

Disposal of Surplus Funds

The surplus campaign funds of a candidate or political committee may only be disposed of in a limited number of ways. To dispose of surplus funds, a candidate or political committee may:

- return the surplus funds to a contributor in an amount equal to or less than the original contribution;
- transfer the funds to the candidate's personal account as reimbursement for documented lost earnings due to campaigning, not to exceed what the candidate might generally earn during that period;
- transfer the excess to a political party or caucus political committee;
- donate the funds to a registered charitable organization;

- transfer the surplus to the State Treasurer for deposit in the General Fund;
- hold the funds in a depository for use in a future campaign for the same office; or
- hold the surplus in a separate account for nonreimbursed public office-related expenses.

Surplus funds may not be transferred to any other candidate or political committee.

Oral History, State Library and Archives Account

The Division of Archives and Records Management, the Oral History Program, and the State Library fall under the jurisdiction of the Secretary of State. The Secretary of State may solicit gifts and grants and use the proceeds from these gifts, unless the donor requests otherwise, to conduct oral histories, archival activities, and Washington library activities. All moneys received for these purposes must be deposited into the Oral History, State Library, and Archives Account which is a non-appropriated account from which the Secretary of State may make expenditures for purposes of the Oral History Program, the State Library and the Division of Archives and Records Management.

Legislative International Trade Account

The Legislative International Trade Account (Trade Account) was created in 2003. The Trade Account receives nonpublic donations to fund international trade hosting and trade mission activities undertaken by the Lieutenant Governor and members of the Senate and House of Representatives. Expenditures from this account may be used only for international trade hosting and trade mission activities, excluding travel and lodging, in which the Lieutenant Governor and members of the Legislature participate in an official capacity. The account is non-appropriated, and only the Lieutenant Governor may authorize expenditures from the account.

Summary of Substitute Bill:

A candidate or political committee may dispose of surplus campaign funds by transmitting the surplus to the State Treasurer and specifying deposit into either the Oral History, State Library, and Archives Account or the Legislative International Trade Account. The emergency clause on the bill allows immediate donation of surplus campaign funds into these accounts directly after the bill is signed into law.

Substitute Bill Compared to Original Bill:

The substitute bill adds an emergency clause.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: (Substitute bill) This bill expands the ways candidates can dispose of surplus funds. To date only a small amount in surplus funds has been transferred to the General Fund as it is likely legislators do not see the benefit of giving their relatively small amount in surplus funds to a multi-billion dollar fund. The bill will allow legislators' surplus funds to go to a smaller dedicated fund. The emergency clause would allow legislators to donate into these accounts while they still have some surplus funds from the last election.

Testimony Against: None.

Persons Testifying: Representative Green, prime sponsor; and Brian Hatfield, Office of the Lieutenant Governor.

Persons Signed In To Testify But Not Testifying: None.