



# Nov 8, 2016 General Election Ballot Measure Summary Series

**Measure:** State of Washington Initiative 1464: Government Accountability Act - Concerns Elections and Lobbying

**Ballot Title (what you will see on the ballot):**

*Initiative Measure No. 1464 concerns campaign finance laws and lobbyists.*

*This measure would create a campaign-finance system; allow residents to direct state funds to candidates; repeal the non-resident sales-tax exemption; restrict lobbying employment by certain former public employees; and add enforcement requirements.*

*Should this measure be enacted into law? Yes [ ] No [ ]*

*(official – as filed with the Secretary of State’s Office)*

**Summary:**

This measure would create a state-funded campaign finance program allowing residents to direct up to three \$50 contributions to candidates for certain state offices. It would repeal the non-resident sales tax exemption, directing resulting funds to this program. It would restrict lobbying employment by certain former public employees; restrict campaign contributions from lobbyists and state contractors; increase penalties for campaign finance violations; increase campaign finance administration and enforcement; and revise campaign finance and disclosure laws.

**Immediate Effects, if Passed:**

I-1464 would establish a program of public campaign financing for that would allow each registered voter to give three \$50 credits to qualified candidates for the state legislature who agree to abide to certain restrictions, starting for the 2018 general election. The funds for the program would come from removing a tax exemption that allows out-of-state visitors from states with state income tax but no state sales tax (such as Oregon) to be exempted from paying sales tax in Washington.

This initiative would also change are campaign-finance and ethics laws in a number of ways.

- It would require identification of the top five actual contributors (person, organization or corporation) in political advertising, and prohibit identifying political committees as one of those contributors.
- It would place a \$100 per candidate limit on contributions from lobbyists, and a limit of \$500 per candidate on the amount a lobbyist can solicit.
- Public contractors would have the same \$100 limit for candidates running for an office having a decision-making role over their contract.
- Former elected or appointed officials would have a three year “cooling-off period” before they could return to lobby their former colleagues.

It would provide additional ways to enforce campaign finance laws, and increase penalties for violation. Half of the money from these penalties would go to the state treasury and the other half would be used by the Public Disclosure Commission to enforce campaign finance laws. It would also clarify and strengthen the law against coordination between political campaigns and individuals and political action committees making independent expenditures.

**Fiscal Effects, if passed:** The state Office of Financial Management states that for the first six fiscal years the net revenue to the state is estimated at \$173.2 million, and the net expense is estimated at \$171.5 million, for a net gain to the state of \$1.7million. Local sales tax revenue (which is not remitted to the state) would increase \$67.3 million over the same timeframe.

**Arguments for the measure:**

Supporters of the measure state that Initiative 1464 will increase transparency and accountability in government, limit the influence of big money in our elections and give regular people more power and control in their democracy. Supporters argue that lobbyists, large corporations and wealthy special interests have too much control over our political process. They claim that Initiative 1464 will start to change that by reforming money in politics and empowering regular citizens.

*Arguments for and against the measure continue on the next page*



**Arguments for the measure (continued):**

People who support the measure also state that Initiative 1464 will empower voters by giving every person the option to direct public funds in the form of vouchers to support candidates of their choice. Because these vouchers will fund candidates chosen by regular people, this system, it is argued, will encourage candidates to focus more on their constituents, and less on big money donors and special interests. This, in turn, may help new kinds of candidates, allowing more people who aren't wealthy or well connected to run for office so that regular people aren't shut out of critical decision-making in their government. Here are some of the specific things this initiative does:

- It requires Super PACs to include the names of their top donors in their ads so people know who is really trying to influence elections.
- It closes the possibility of government officials leaving office and immediately taking jobs as lobbyists or sales staff for companies.
- It limits big money influence and restricts campaign contributions from lobbyists and public contractors.
- It strengthens enforcement of ethics laws and campaign finance laws, and increases the penalties for those who break them.
- It creates a voluntary, voter directed small donation system so everyone can support candidates of their choice, which has the goal of giving regular people a stronger voice in our elections.

Supporters argue that Initiative 1464 is not funded by a new tax on Washingtonians. It is paid for by eliminating a tax break that only goes to people from a handful of other states, including Oregon. It will not take existing money away from other critical priorities like education. Instead, they argue, it will result in elected officials raising revenue and spending our taxes in a way that is more consistent with the voters wish and not based on the demands of special interests or big donors. Supporters conclude with the statement that big money interests and lobbyists have too much control over our political system, while regular people have very little. Initiative 1464 implements concrete, achievable reforms to make politicians and government more accountable

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**Arguments against the measure:**

The opponents argue that Initiative 1464 uses public money, your tax dollars, to give money to politicians, and may hurt small business owners and their employees near the border of Oregon in the process. They state that the initiative restricts free speech for small businesses but provides exemptions for corporate lobbyists. Powerful special interests get special treatment.

Opponents are also concerned that the initiative allows politicians to pay themselves for "lost wages" using public funds. They argue that taxpayer dollars will be used to pay politicians to run for office and the system will be ripe for abuse. It's no surprise the initiative is sponsored by politicians and political consultants who will personally benefit from the use of taxpayer funds. It is funded by billionaires and out-of-state special interests trying to create an uneven playing field in their favor. The initiative allows people living in Washington who are non-citizens and cannot vote to contribute public dollars to politicians.

Opponents point out that Washington state is under court order to fully fund education and is subject to a \$100,000 per day fine. Instead of funding schools, the initiative gives \$285 million in public funds to political consultants and politicians to spend on mudslinging and negative attack ads.

Opponents state the Initiative 1464 hurts Washington businesses both small and larger in communities near the Oregon border, such as Walla Walla, the tri-cities, Longview, Ridgefield, Hazel Dell, and especially Vancouver. Currently, customers from Oregon or other states where there is no sales tax, currently do not have to pay sales tax on items they buy in Washington. This has helped Vancouver rebuild their downtown district by encouraging people from the bordering large city, Portland, Oregon, to shop and dine in Vancouver. Other border cities also have large bases of Oregonian customers. Eliminating the sales tax exemption for certain out-of-state residents, especially Oregonians, will discourage customers from shopping in Washington where they will pay about 10% more than in Oregon. Small businesses along the border will be hard hit by the loss in sales and may not be able to remain in business.