

SUBCOMMITTEE ON CAMPAIGN FINANCE REFORM

April 11, 2005 Hearing Room E

3:30 P.M. Tapes 8 - 10

MEMBERS PRESENT: Rep. Greg Smith, Chair

Rep. Paul Holvey

Rep. Dave Hunt

Rep. Kim Thatcher

STAFF PRESENT: Cletus Moore, Committee Administrator

Annetta Mullins, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3458 – Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 8, A

004	Chair G. Smith	
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Calls meeting to order at 5 3:39 p.m. and opens a public hearing on HB 3458.

HB 3458 – PUBLIC HEARING

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| 006 | Norman Turrill | Multnomah County resident and member of Secretary of State's (SOS) Disclosure Panel. States he likes the proposal the committee is working on. It seems to have a lot of good things in it. Asks the committee to consider other ideas that came out of the deliberations of the panel. One recommendation was the candidate controlled committee that would solve the problem where a candidate can control several committees and hide the sources of contributions to his candidacy by laundering the money through the other committees. |
| 022 | Chair G. Smith | Asks if we define candidate controlled committee in HB 3458. |
| | Turrill | Replies no; the suggestions are contained in SB 822 and SB 160. The panel also suggested the terms of loans be disclosed, which would solve the problem where candidates were getting loans that were not really loans and it was not clear in the public record that those loans were outright contributions from big contributors; they were essentially hiding the purpose and source of the money. States there are also other things in the report that the subcommittee should look at. |
| 042 | Chair G. Smith | Asks what happens if a loan is forgiven or considered uncollectible. |
| | Turrill | States the money is defined as a contribution whether they are repaid or not. It is a matter whether the public understands that a particular loan is a legitimate loan or a phony loan that really is not a loan but a gift. It depends on the provisions of the loan and how they are perceived by the public. If it was a bank loan, it would be a legitimate loan. A "funny loan" is one that is not expected to be paid. |
| 056 | Chair G. Smith | Asks what would be the rationale of a committee listing a contribution as a loan rather than as a contribution. |
| | Turrill | States that the public perceives a loan as being repaid, but in these cases they are not repaid. States that in his opinion, it is a way of hiding the real purpose of the money. |
| 084 | Rep. Hunt | Asks if the disclosure is in the Senate bills. |

	Turrill	Responds affirmatively.
071	Turrill	Adds that there was another provision about disclosure of large contributions within 15 days of an election. That could be easily done with electronic disclosure. States the Panel suggested the contributions be reported within one day because those huge contributions tend to distort what happens late in a campaign and the public has a right to know those kinds of maneuvers.
101	Turrill	States that in Section 7 about random review of contributions and expenditures, there is a phrase that limits it to state offices. Asks if it should not apply to all offices. It seems like contributions from other kinds of offices in the state that are also disclosing electronically won't have any review. Believes the authority has been removed from the local filing officers and does not believe anybody has the authority to review them. It seems the same system of random reviews could be used over a wider set of candidates and elections without exception.
119	Turrill	Adds that In Section 19 (4), there are a number of exemptions from electronic disclosure for other kinds of campaigns—local petitioning campaigns and statewide petitions. There does not seem to be a rational reason for the exemptions from the statewide electronic filing system. It seems they have the same kinds of benefits so why should they continue on the paper system. There are also other occurrences of that in the bill.
141	Rep. Holvey	Asks if Turrill is saying a candidate should only control one PAC.
148	Turrill	States his opinion is that the candidate should only control one committee but that was not what the panel decided. The panel decided that if a candidate controlled more than one committee, the candidate would label the other committees as candidate-controlled committees. The money could be followed back to its original source. Otherwise, it becomes a way of hiding the true source of the campaign contributions.
140	Rep. Derrick Kitts	HD 30 and Chair, House Committee on Elections and Rules. Thanks members for serving on the subcommittee. Addresses concerns of the previous witness. States that HB 3458 was designed at the request of the Speaker and House Democratic leader to address certain items. States that other bills consider other concerns related to campaign finance and have merits as well. The committee has been instructed to address specific issues and this subcommittee has done a remarkable job. Also thanks staff in the office of the Secretary of State for their work.

185 Chair G. Smith Closes the public hearing and opens a work session on HB 3458.

HB 3458 – WORK SESSION

239 Cletus Moore Committee Administrator. Submits a rough draft of the HB 3458-1 rough draft amendments dated 4/11/05 presented by Legislative Counsel (**EXHIBIT A**).

248 Ted Reutlinger Legislative Counsel. Explains that the HB 3458-1 rough draft amendments dated 4/11/05 (**EXHIBIT A**) are based on the notes from the meeting last Thursday and he is hopeful they represent what the committee agreed to do to HB 3458. Advises that the amendments have not been reviewed by the editors in Legislative Counsel. Reviews the amendments.

261 Reutlinger Section 3 of the bill is deleted on page 1 of the amendments and replaced with the new Section 3. Section 3 related to the single bank account that PACs and candidates have to establish in a financial institution in this state. Explains differences between the original bill and the amendment: 1) the new Section does not require the treasurer to actually deposit the contributions; anybody can deposit them on behalf of the candidate or committee; 2) the funds must be deposited within seven calendar days instead of 10; 3) on page 2 in (5) it specifically says this does not apply to in-kind contributions which obviously cannot be deposited into a bank account; 4) In the new (4) on page 1 of the amendment, the language attempts to say that this section does not prohibit somebody from making a cash expenditure to buy food or something like that while they are on the road and then receive reimbursement from the PAC. The concern was the original bill said that all expenditures had to be made by check or debit card. This attempts to accommodate people who are making cash expenditure for office supplies, or food, or some relatively minor item and then get reimbursed by the committee.

299 Rep. Hunt Comments that the bill talks specifically about debit card or other electronic transaction. Asks if that is for credit card expenditure—is it an electronic transaction because it does not come directly out of the account, or whether it counts as a check that pays off the credit card.

307 Reutlinger Responds that he believes the committee determined that credit cards would not be covered like this because they are not tied specifically to an account in the way a debit card is. States that his understanding of this language is that it does not allow an expenditure through a credit card in the way it would for a debit card.

316	Rep. Hunt	Comments he may have misread the consensus on that because he thought there was support for saying there needs to be a way for candidates to be able to have a credit card expenditure for a campaign account. States he thinks it is cleaner if the credit card account is then paid off directly by the campaign instead of through the other subsection of HB 3458 related to reimbursements from the campaign. States he could put the charge on his personal credit card and then get reimbursed under this but it does not look like he could put it on a campaign credit card and have the campaign pay it off.
332	Fred Neal	Campaign Finance Manager, Elections Division, Secretary of State's office. States that he thinks line 22 on page 1 of the amendments does cover the credit card expenditure by someone other than the PAC itself. Recalls the discussion was that most banks are smart enough to not give credit card accounts to most PACs and almost all credit card expenditures in political campaigns are made by individuals and they are reimbursed by the campaign. Some trade association PACS and union PACs that are large and on-going may have credit attached to their debit cards. The language in the amendments would proscribe recurring credit through a credit card of a PAC.
359	Rep. Hunt	Comments it is a question whether we want to allow campaigns to have credit cards that are paid off by the campaign account, or only allow personal credit cards where the person is reimbursed. States his bias would be for the former.
366	Chair G. Smith	Referring to review of transactions on page 3 of the amendments (EXHIBIT A) states he wants to make sure the language applies to all candidates because it says "may require a candidate".
378	Reutlinger	Responds that Section 7 applies only to candidates for state office. States he attempted to address that in lines 1 and 2 on page 3 of the amendments.
385	Chair G. Smith	Asks how often the reviews will occur.
387	Reutlinger	Responds that Section 7 applies only for a year while the paper filing system is still in effect. Under (2) in lines 5-8, the reviews occur during the three-month period following the primary and general election.
	Chair G. Smith	Asks how the reviews will occur with electronic filing.

394	Reutlinger	Responds the review will then occur quarterly.
	Chair G. Smith	Asks if the quarterly review is okay with the committee.
	Neal	States they have been assuming no more than eight transactions for each report under Section 7 and three months after the election to review the reports—not up to eight transactions for the primary and up to eight transactions for the general.
	Reutlinger	Confirms that Neal is correct.
	Chair G. Smith	Asks if the committee feels comfortable with quarterly reviews once the system is on line.
416	Rep. Kitts	Comments that originally, in light of the paperwork that would be incurred by the SOS, it would be permissive—“may conduct reviews”. It doesn’t have to happen every quarter; it could happen every quarter if SOS chose.
432	Chair G. Smith	States he is fine with that because it would allow SOS to determine the need and frequency.
	Lindback	Responds that would be fine with SOS.
445	Neal	Points out that the language says “shall review the reports” and then it says “may require up to eight transactions”.
455	Rep. Kitts	Apologizes and comments the language is saying what it is supposed to say and retracts his question.
472	Rep. Thatcher	Comments that under this section she would be required to reopen her campaign because she has \$2.86 or something like that left in her account. States she would have to loan herself a minimum amount of money to have an account open, and is not sure what the purpose of that would be.

TAPE 9, A

007	Fred Neal	Comments that the language does require by September 30 of this year that every state and local political committee, including principle campaign committees, have a dedicated bank account. It is his
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understanding that banks charge for the service of providing an account. There are quite a few campaigns that are just sitting there. Thinks some of the committees are not discontinuing because they have outstanding loans and until they are repaid or forgiven they cannot discontinue the account. They have zero cash but have outstanding obligations or accounts payable. This would create an issue for SOS and SOS is not quite sure how they would enforce that. Questions why a bank account would be required for a committee with under \$2,000 unless it is to have some assurance there is less than \$2,000.

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| 031 | Lindback | Comments he thinks the intent behind this section is to keep people from co-mingling their campaign funds with their personal account. States he is not sure the intent was to make sure everyone has an account; you just can't co-mingle campaign funds and personal funds. Suggests the committee may want to look at the wording. |
| 039 | Rep. Kitts | Comments that the intent is stated accurately by Lindback. States he does not believe any language can accurately articulate words to cover everybody. Thinks that the ability in some rule by the SOS could say if you are running for office and have a balance, you must have a designated account; you cannot put it in your personal account. If Rep. Thatcher, for example, was to have an account of \$2.58 that was drawing negative interest and she closed it, just so long as she does not take contributions in, she is not in violation. Believes common sense could prevail in rule making but does not know how to cover every scenario in writing. |
| 057 | Neal | States that some new committees have trouble opening an account because they don't have a taxpayer identification number. States he does not know how easy it is to close an account and then reopen a new one ongoing. |
| 072 | Rep. Thatcher | States her bank was accommodating by saying she could have the account number back when she reopens the account. |
| | Lindback | Comments they could do that by rule, or the committee could change the sentence that says that each political committee that receives donations or makes expenditures shall establish a single account. If the person is doing neither, they could close the account and start a new account when the person again becomes active. |
| 090 | Rep. Hunt | Asks if the language gives SOS the ability to make a rule. |
| | Lindback | |

Responds that if Rep. Kitts is telling them what the intent is here in the legislative history, they could make a rule.

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| 100 | Rep. G. Smith | Comments that having \$2.00 in an account is not a campaign finance issue; it is an issue of managing the account with the bank. |
| 110 | Neal | Explains that some committees chronically file negative cash balances on their C&E reports and SOS knows the bank is not letting them do that. States that the language is so clear in Section 3 that they probably need some out. Notes language in line 6, "each political committee having a cash balance shall establish..." or "each political committee having a cash balance of x dollars or more shall...". Adds that candidates who are their own treasurers and don't raise or spend more than \$300 in a calendar year are not political committees. |
| | Chair G. Smith | States there are amendments talking about the \$2,000 threshold under electronic filing. Asks if members would agree with \$100. |
| 137 | Rep. Kitts | Comments that depending on what the various bank fees are, and not knowing how long the session may go, if the fees were \$10 a month, you would have exhausted the \$100; suggests it could be \$200 or \$300 to allow for variance. |
| 144 | Rep. Holvey | Comments he believes under this bill now if one raises or spends \$300, the person is required to file a statement of organization as a PAC. The \$300 is somewhat a magic number for being responsible as a PAC. |
| 152 | Rep. Thatcher | Comments that a person could have \$100 and still be actively making expenditures or receiving contributions. Whether the account is receiving money or making expenditures should be the criteria. |
| 160 | Rep. Hunt | Comments he heard the language of "a balance above", if we say \$300. The minute the person gets the first \$500 contribution, they would have to have the account. As long as the person is not accepting contributions and the balance is below \$300, it seems that would cover it. |
| 166 | Rep. Thatcher | Asks if expenditures would not be reportable. |
| | Committee | Expresses a consensus that the expenditures would still have to be reported. |

170	Chair G. Smith	Asks Reutlinger to repeat the suggested language.
	Reutlinger	Reviews proposed language to Section 3: "Each political committee having a cash balance of x dollars shall establish..."
	Lindback	States his proposed language to Section 3 as "Each political committee that accepts donations or makes expenditures shall establish a single..."
	Chair G. Smith	States he prefers language suggested by Lindback.
176	Lindback	States he believes his language gets to the heart of the intent because if you establish a threshold of \$300, you are saying it is okay if you keep the balance at less than \$300 to co-mingle the funds. If the whole idea is to stop co-mingling of funds, then you want to do it completely.
185	Neal	States he thinks Lindback is talking about a particular period of time or at some time because that is what defines a political committee—it is receiving contributions or making expenditures.
208	Rep. Kitts	Comments he thinks very few people shut down their accounts. The language says you have to maintain your account, keep it open, and you have to keep the records. Believes that simplifies it and puts the burden on those whom the burden should be on and that is the candidate that is making the expenditures.
227	Rep. Holvey	Comments he is looking at what the committee is charged with and co-mingling of funds and wanting to take the suggestion on the candidate controlled committee because he was not aware that a candidate could have more than one PAC. The issue is that those PACs can be used primarily to co-mingle money and to hide money. Questions if this committee wants to restrict it to just one committee for each candidate.
240	Rep. Kitts	Comments if someone wants to start a PAC, the person's name is on everything. Advises subcommittee that they should keep the changes within the germaneness of the Speaker and Democratic leader's press release and if there is a disclosure issue that is not being addressed, a bill should do that but this may not be the vehicle to do it.
262	Chair G. Smith	Comments his comfort is with Rep. Kitt's suggestion but is open to where the subcommittee wants to go.

266	Rep. Thatcher	Responds that is what she thinks makes sense, too, but there is still the period of time issue to deal with.
270	Rep. Hunt	States he was persuaded by the statement that if candidates know this is going to be part of the process, then they should budget. States if the issue is transparency and clarity, he believes the cleanest would be to say shall and shall.
	Chair G. Smith	Asks Rep. Kitts to repeat his concept.
290	Rep. Kitts	States his suggestion is to leave it as it is. The language drafted by Reutlinger is very clear and puts the burden on the candidate to plan accordingly and maintain their account for when they come into session knowing they are not going to be taking contributions.
300	Chair G. Smith	Asks if the language could read, "Each political campaign receiving financial contributions shall establish a single..." and asks why would someone establish an account if they are not receiving money.
	Neal	Asks why Chair G. Smith would be a political committee unless he was receiving money; it is definitional.
309	Reutlinger	Advises that currently a statute exempts people who are not going to spend more than \$300 from having to get into the system. They don't file a statement of organization. They are, as Neal said, off the radar. States that the subcommittee may want to consider adding a subsection to Section 3 that says those folks don't have to establish this account. They are still candidates under the definition but if they do not file a statement of organization, it would seem to make some sense to say they don't have to set up a bank account since they are not moving a lot of money around. As soon as they go over the \$300, then they are subject to everything in the campaign finance laws. We could write in language that says if they go over \$310 they have to have the bank account and do everything else. Advises it is a policy decision for the subcommittee.
325	Rep. Hunt	Comments that it sounds good.
325	Rep. Holvey	Questions whether it is necessary to make a statement that once a person hits the \$300 threshold that they have to account for that first \$300 as well in their first report.
	Reutlinger	

Responds that is current law. If they go over the \$300 they have to start filing all the statements that every other candidate has to file. Before they get to the \$300, they have to keep the same records that every other candidate does. They just don't have to file statements until they get to \$300.

- 337 Neal Points out that provision is in Section 23 on page 13 of HB 3458.
- 315 Reutlinger Explain that Sections 4 and 5 require candidates and PACs to tell the SOS information about the single bank account. Additional required information is on page 2 of the amendment in lines 9-15 (**EXHIBIT A**). Candidates and PACS would have to supply the name of the financial institution where the account is located, the name and number of the account, the name of the account holder, and the names of any person that has signature authority under that account. The second piece of that is an exemption from the public records law for disclosure of the account information. It would prohibit the SOS from giving the information out except when they need to do it for purposes of enforcing the campaign finance law.
- 368 Chair G. Smith Comments he thought the committee was going to ask the Oregon Bankers Association to come and talk about the issue instead of putting it in the amendments.
- 370 Neal Reports that he had conversations with Mr. Martinez of the Oregon Bankers Association. Mr. Martinez says that the SOS needs to have the account number to give to the bank. Otherwise the bank would require the social security number of the treasurer. Martinez cautioned, and SOS agrees, that it opens a can of worms that SOS does not want to get into. Martinez thinks the language is appropriate.
- Chair G. Smith Comments he is frustrated to see this in the draft because he thought the committee agree to not include it.
- 393 Reutlinger Apologizes and explains that his understanding was that SOS was going to check with the bankers and he was to proceed on the recommendation the bank came up with. States that the language can be modified.
- 403 Chair G. Smith Reminds the subcommittee that the subcommittee was uncomfortable having the account number available or potentially available even it was confidentially held.

412	Rep. Thatcher	Comments that once you write a check, the information is available anyway.
415	Neal	Explains that they would not post the checks on line. Because this kicks in September 30 of this year, SOS would have a supplemental statement of organization, a separate form, that would have this information and they would not enter any of that into the data base. SOS will not have the bank statements.
432	Chair G. Smith	Asks if SOS will request the bank statements.
433	Neal	Responds that SOS would only request the bank statements if they have cause to do a desk review and inspect the records further. Explains that the statements are not in a computer and the only time the account number would be known is if SOS needs to engage in some enforcement action. States that as he understands the reason SOS needs the account number is to subpoena the records from the bank.
450	Rep. Kitts	States that Section 7 says, "For each review, the secretary may require a candidate or treasurer of a political committee to provide documentation of not more than eight transactions." States that along with those transactions, SOS will be provided the checking account number. SOS can get it if they want it anyway.
468	Chair G. Smith	Comments that the person could black out the account number.
	Rep. Holvey	Comments he thought the committee decided the bank account statements were actually part of the documentation that would be required of the eight transactions.
476	John Lindback	Asks if Rep. Holvey might be thinking of the sections that required all candidates to file bank statements with the Elections Division, which was removed. States that their understanding is that either cancelled checks or receipts would be required for the eight transactions. If those raise an issue, SOS may say they need to see more, which may or may not include a bank statement.

TAPE 8, B

017	Chair G. Smith	Comments that he just has a philosophical problem with providing the account number until it is needed.
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025	Reutlinger	States that Sections 7 and 8 have been explained previously.
	Reutlinger	Advises that on page 5 of HB 3498, Section 11 has been deleted, which required the filing of the bank statements. The amendments on page 3, beginning in line 24 add a new amendment to ORS 260.200, which directs the SOS to adopt rules describing the materials, including the financial institution account statements, copies of checks, etc. that they could require candidates and PACs to submit when SOS needs them for enforcement.
035	Reutlinger	Section 14 on page 6, lines 14-16 of HB 3458 is the discussion of what kind of information needs to be provided for expenditures for the whole city/county issue. States he understood the committee decided that for expenditures in an aggregate amount of more than \$50, the candidate or PAC had to provide to SOS both the city, or the county if the payee is not in the city, and the state where the payee is located. The new requirement applies only for \$50 or more. The same change is made in Section 20 of the bill, which is the electronic version of the same statute.
048	Rep. Hunt	Notes that in the amendments (EXHIBIT A) some things are in bold and some are not.
	Reutlinger	Explains that anything that is bold is a brand new section. Anything that is not in bold is inserted into an existing ORS in the bill.
060	Reutlinger	Page 4 of the amendment is the new Section 20a. It puts ORS 260.112 back into the bill. It is the current section that says if you are not going to spend over \$2,000 in the total reporting period, then you don't have to file the detailed contribution and expenditures statements. For electronic filing, this says if you are not going to spend more than \$2,000 in the calendar year, you don't have to file the electronic statements; you just file one statement of limited activity for the year. Anytime you go over the \$2,000 threshold, you go into the normal system. States he also wants to add language to Section 19 of the bill which would say, "except as provided in ORS 260.112" to specify clearly that there is an exemption.
078	Reutlinger	The remaining changes are simply technical changes because the bill as printed repealed ORS 260.112 and this amendment puts it back in as amended.
082	Rep. Holvey	Comments the committee had considerable conversation last Thursday about candidates' reimbursement for mileage and asked where that is addressed in the bill to clarify it a little better. States it

speaks to double dipping which is in Section 17. Asks if more definition is needed for mileage expense and that relates to the state's reimbursement of mileage.

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| 096 | Reutlinger | Responds that the amendments do not change Section 17. Section 17 refers to specific reimbursements and for the members of the legislature that will mean coming to the Capitol during the interim to get the per diem and any mileage expenses the members are reimbursed for during the interim. That is what the current administrative rule in the SOS manual covers as well. The new amendment to ORS 260.200, which gives the SOS the authority to ask for additional materials from candidates for purposes of enforcement, would allow SOS to ask candidates to supply reimbursement records so they can tell whether there was a violation of Section 17. |
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| 107 | Rep. Holvey | Asks if the bill addresses a candidate being able to use campaign contributions for mileage expense during session, as opposed to the interim. |
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| | Reutlinger | Responds that HB 3458 does not address that. |
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| 118 | Rep. Holvey | Asks if it needs to be addressed. States he is unclear as to how legislators account for that to the SOS. |
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| 130 | Reutlinger | States the existing election law prohibits the personal use of campaign funds and this bill does not change that. The per diem members receive during the session is an amount of money that could be considered salary. It is not tied to any specific expense that a member may incur, which makes it difficult to draft something that applies to "double dipping" because the money is given to the members without restrictions. During the interim, when a member comes to Salem for a meeting or drives a distance, the member is reimbursed for mileage for a specific purpose. |
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| 146 | Rep. Thatcher | Comments if you are asked to prove a \$250 dollar expense, you just have to document that the expense is above the per diem and believes it is already addressed. |
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| 151 | Rep. Hunt | Comments that his interpretation of per diem is different. States that legislators get the same per diem during the interim as during session and does not believe it is additional compensation they can use. The nature of the word per diem is intended to meet specific expenses as defined in the Federal Tax Code which he does not know. |

155	Moore	Explains that the federal guidelines are that if you do not show expenses against a per diem, all of it is income. But you must show legitimate expenses to the IRS code against it. If you do not have expenses, it is considered income and you are taxed.
166	Rep. Holvey	Asks if candidates can run their campaign out of their personal residence and charge the campaign for the rent.
	Neal	Responds yes, and explains that the Elections Division has determined that a candidate may charge the campaign account not to exceed the fair market value of the actual square footage in a personal residence used for campaign purposes. The interpretation of that is so that the candidate does not have to go out and rent space.
202	Rep. Holvey	Suggests that the practice should be disallowed. States he thinks that clouds the candidate using campaign money to survive on because the candidate is using the rent to pay his/her mortgage.
220	Chair G. Smith	Comments that Rep. Holvey has a good point.
	Rep. Kitts	Notes that the SOS can do that by rule. They have a list of acceptable and prohibited uses and it doesn't need to be in the bill because the SOS can do that now.
230	Chair G. Smith	Advises members that the subcommittee has the proposed -1 amendments to HB 3458 (EXHIBIT A), that the subcommittee is in work session and he would entertain a motion to amend HB 3458 with the proposed -1 amendments that the subcommittee came up with on Thursday.
236	Rep. Thatcher	MOTION: Moves to ADOPT HB 3458-1 amendments dated 4/11/05 (EXHIBIT A).
240	Reutlinger	Asks permission to clarify the changes to the -1 amendments that the subcommittee agreed to in this meeting. Reviews further changes to the -1 amendments: 1) Section 3 on page 1 of the proposed amendments will be amended to specify that the bank account requirement does not apply to candidates described in ORS 260.043, which is the \$300 candidates; 2) ORS 260.043 will be amended to say when they go over \$300, they have to comply with the bank account requirement and set up the account; 3) we are going to amend Section 19 which is the basis electronic filing section to state the exception to say, "Except as provided in ORS 260.112", which means the candidates that are not going to spend more than \$2,000 in a calendar

year do not have to file electronically and can only file their statement of limited expenditures.

- 259 Rep. Hunt Comments he is happy to move this as an amendment into the bill. States that his comfort level about moving the bill is very low right now. And he does not believe the subcommittee has addressed the issue in Section 17 related to the issue of duplicate compensation. States that perhaps it was addressed for the interim, but it has not been addressed for the session. States he is also uncomfortable having walked in and gotten this six-page set of amendments with technical deletions and references to statutes without having a chance to read it and absorb it. Asks if the Chair's intent is to move the amendments into the bill, or to also move the bill today.
- 275 Chair G. Smith Responds that his intention was to move the proposed -1 amendments into HB 3458 and have a discussion among the subcommittee about the next step on the bill.
- 279 Rep. Holvey Comments he would like to make sure that someone cannot rent from themselves because that clouds the appearance to the public. Just as candidates cannot pay themselves for professional services, he strongly believes the candidates should not be able to pay themselves rent and would move that along with the -1 amendment that the committee have Legislative Counsel make sure that is put into the bill somehow.
- 297 Chair G. Smith Asks if that was a motion.
- Rep. Holvey Responds that it was a motion.
- 295 Rep. Holvey **MOTION: Moves to direct Legislative Counsel to add to the amendment a provision that prohibits a candidate from reimbursing or paying themselves for the rental space of their own residence or the residence of an immediate family member.**
- Chair G. Smith **Calls for the vote on Rep. Thatcher's motion as amended by implication to include changes reviewed by Reutlinger.**
- 305 Rep. Thatcher **MOTION: Moves to ADOPT the HB 3458-1 amendments dated 4/11/05 (EXHIBIT A) and by implied consent the additional amendments stated by Reutlinger.**

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VOTE: 4-0-0

Chair G. Smith Hearing no objection, declares the motion CARRIED.

308 Chair G. Smith Asks Rep. Holvey to share his motion again with the committee.

311 **Rep. Holvey Rephrases his motion as follows:**

311 **Rep. Holvey MOTION: Moves to direct Legislative Counsel to add to this amendment a provision that prohibits a candidate from reimbursing or paying themselves for the rental space of their own residence or the residence of an immediate family member.**

Chair G. Smith Asks if the subcommittee would like a written copy of the amendment to look at or move based on the discussion. States he would like to look at some language.

Rep. Holvey States he has been told that is the law but has a notion it is not the law because candidates are able to do that. States he would like to clear that up and have the candidates be more accountable to the public for their campaign dollars.

333 Chair G. Smith Ask if it is appropriate to address the issue raised by Rep. Holvey in subcommittee or whether it should be addressed at the full committee level.

Rep. Kitts Responds he thinks it is just as appropriate for this subcommittee as is banning candidate self compensation as directed by the Speaker of the House and the House Minority Leader. States all it would take is for the SOS to reinterpret the rule and say no, as opposed to yes.

362 Neal States that the rule as enunciated in the Campaign Finance Manual parrots verbatim the Federal Elections Commission's language. SOS has formatted and phrased it using "in excess of fair market value" to modify both personal residence and other than personal residence real estate owned by the candidate. States they can rewrite it in the next adoption of the Campaign Finance Manual to prohibit any use of campaign funds to pay for reimbursement of any use of a personal residence of the candidate or residence of a member of the candidate's family.

378	Lindback	States it is a policy call that the SOS could make. The subcommittee's decision is whether or not they want to make the decision or want to ask the SOS to consider that when they rewrite the manual; they rewrite the manual every two years.
	Rep. Hunt	States he would agree with Rep. Holvey. It seems to be consistent with banning self compensation; it is just another form of compensation.
	Chair G. Smith	Asks Rep. Holvey to write some language for the amendment.
411	Chair G. Smith	Asks the committee to stand at ease at 5:07 and reconvenes the meeting at 5:10 p.m. and ask Rep. Holvey to read his motion.
	Rep. Holvey	Rephrases his motion as follows:
419	Rep. Holvey	MOTION: Moves to add to the HB 3458-1 amendments a provision to prohibit political committees from reimbursing or paying rent or moneys for space used in a residence owned by the candidate or a family member of the candidate.
426		VOTE: 4-0-0
	Chair G. Smith	Hearing no objection, declares the motion CARRIED.
430	Chair G. Smith	Asks that the subcommittee review HB 3458 as it has been amended.
	Rep. Hunt	Comments he does not believe the committee has addressed the charge given to the committee by the Speaker and the Democratic leader on banning double compensation for any expense.
	Chair G. Smith	Asks if Rep. Hunt has a particular question on Section 17.
	Rep. Hunt	Responds that as he understands it, it doesn't apply to per diem.
	Chair G. Smith	Explains that during the interim legislators receive \$91 per diem per day plus mileage. Any expense in addition to the \$91 can be covered by campaign dollars. Gives example of renting a hotel for \$121. He could write a campaign check for \$30 but would not be able to write a

check for the \$121 unless he reimbursed his campaign back for the \$91, and if he is reimbursed by the State of Oregon for mileage he would not be able to charge his campaign account for the same travel.

Reutlinger States that Chair G. Smith is correct.

Rep. Hunt Responds it seems it is addressed but he is not hearing that this applies to session. States that it seems the same principle would apply in terms of per diem.

Chair G. Smith States it is his understanding that during session members receive a daily per diem that, according to Legislative Counsel, is almost viewed as salary and is not dedicated to any specific purpose. Advises Rep. Hunt that the committee has not discussed any language that would prohibit that because during the interim it is for specific uses and during the session there is no purpose.

TAPE 9, B

003 Moore Reminds members that the current policy is that no member will be reimbursed for mileage because the State will provide transportation, and if members request payment for meals, taxes apply to those payments for meals.

Rep. Hunt Comments that the per diem phrase is no different between the interim and session and he is confused because the committee is getting two different interpretations on how it applies in terms of whether one is double dipping or not.

017 Reutlinger Advises that it is easy to write a bill that applies to the interim because the statute specifically talks about specific reimbursement for specific expenses. The statute on per diem during session simply says members receive a per diem during the session and he does not remember seeing a specific federal definition or any language in the statute that limits the applicability of the phrase to any particular expenditure for which the member is reimbursed. It is a policy question for the committee whether the committee wants to draft something that would apply to both general per diem payments during the session and the per diem the members receive during the interim. The difficulty is trying to understand how it is treated under the Federal Tax Code, how the SOS would understand, and records members would have to keep to show that of the \$91 received on Tuesday that x amount went for a certain expense and the member did not reimburse himself from the campaign fund. It becomes infinitely

more complicated when the per diem the member receives is not dedicated to a specific purpose.

- 037 Chair G. Smith Asks what if we were to say the per diem could only be used for hotel or temporary residences or for one-time meal expenses.
- Reutlinger Responds that it seems the committee could do that by amending the per diem statute, whether it fits within the title and subject of this bill, he is not sure.
- 044 Chair G. Smith States he does not want to tell members how to use their per diem.
- Rep. Hunt Explains that the issue to him is not the per diem, it is the expenditure of campaign dollars for expenses which the candidate has already received reimbursement for through per diem or mileage reimbursement.
- Chair G. Smith Comments that he believes the definition of per diem would have to be change to define what per diem can be used for.
- 068 Rep. Hunt Requests the statutory citations on per diem during session and the interim.
- 058 Reutlinger Advises that it is in ORS Chapter 171. Adds that it seems there will have to be imposition of some sort of record keeping on the expenditures that the members make for per diem so it will be possible to look at the campaign finance statement and see if the member has paid himself twice for the expenditure.
- 065 Chair G. Smith States that he likes the idea. Thinks the committee should set parameters on how per diem can be used and have very specific allowable uses; it cannot be used for paying principal mortgages—but could be used for rental property, hotel rooms and one-time meal expenses.
- 074 Rep. Kitts States that this was discussed at length with the SOS, Legislative Counsel and members of both parties. States there are an infinite number of expenses that can occur as a result of the job. Gives example of laundry and a flat tire on the way to the Capitol. It would therefore be saying you must use your salary of \$1,280 to pay for such things, but you cannot use your per diem for those because we would be defining per diem to be used only for meals or lodging, or whatever it may be defined for. If someone uses their campaign

money for something of any nature while in session or not in session, the member is required to file that on their C&E. It has nothing to do with the disclosure issue; it becomes a disclosure issue if the member does not do that.

- 104 Chair G. Smith Comments he is not sure why per diem is paid to those who are living in their residences. Thinks the committee should consider eliminating per diem for those who do not travel.
- 109 Rep. Hunt States that per diem is in ORS 1701.072. Reads statute.
- 116 Rep. Kitts Thanks Rep. Holvey and Rep. Hunt for their questions. States that the salary and per diem for members have never been in question. If the salary and per diem is an issue, we should talk about a bill dealing with salary and compensation for the legislative members and things attached to it rather than outlining the things for which it should be used, could be used, might be used or prohibited from being used.
- 145 Chair G. Smith Comments that every member is accountable to those who contribute money to the campaigns and members are accountable to those who elect them. Thinks that by moving to an online system where the information will be much more accessible by the public, those whose expenditures are not in line are going to have to face the music.
- 157 Rep. Hunt States he believes there is a glaring hole in the work of the committee and that the work will not be consistent with the press release by the Speaker and the Democratic leader.
- 162 Chair G. Smith Asks if it is something that can be dealt with when the Senate considers the bill and when the two bodies work together.
- Rep. Hunt States he will not be able to support the bill without the provision in the bill. Believes it is one of the six key provisions.
- 168 Chair G. Smith Asks Rep. Hunt to explain the missing provision.
- Rep. Hunt Explains that his understanding was that the Speaker and Democratic leader were saying that no campaign funds may be used for any expense that a candidate or elected official was already getting reimbursed for, whether it was through mileage reimbursement, per diem, or through reimbursement by an outside entity; elected officials cannot take per diem reimbursement in one pocket and then pay for a campaign expense that it was intended for. The per diem provisions

for the interim and the session are defined exactly the same way in state statute.

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| 181 | Chair G. Smith | Asks if Rep. Hunt wants to try to create a definition for per diem. |
| 182 | Rep. Hunt | Responds he thinks there is already a definition in statute that refers back to the IRS Code. |
| 192 | Chair G. Smith | Asks how we would account for this. |
| | Rep. Hunt | Explains that if he puts on his C&E a campaign expenditure for something that would be a normal expense that the per diem is supposed to cover under IRS Code, then he would have to have documentation that he had expended his reimbursement and still had expenses and that was the only thing the campaign paid for. |
| 208 | Chair G. Smith | Asks Rep. Hunt how to balance the discrepancy between those who have to use their per diem to live here and those who are able to benefit from their per diem. |
| 207 | Rep. Hunt | Responds that he believes the balance is already in the code because it is taxable for one group and not taxable for the other. |
| 210 | Chair G. Smith | States that he uses 100 percent of his per diem to live here and is not convinced that folks who live in this area who commute, even though it is taxed, use it; they are personally gaining from that. |
| 217 | Rep. Hunt | States that they should not be able to use campaign funds to meet any of the expenses. |
| 219 | Chair G. Smith | Asks what if per diem was taken away from members within a 60 mile radius of the Capitol |
| 221 | Rep. Hunt | States that the per diem is for meals and expenses of being here. States that it may be legitimate legislation to pursue but does not believe it was a charge given the committee by the Speaker and Democratic leader. Their charge specifically was campaign funds may not be used for expenses already reimbursed. |
| 234 | Chair G. Smith | Asks how he would know that a legislator is not using the per diem for personal use. |

235	Rep. Hunt	Responds that the nature of the per diem is you do not need to keep documentation of it. The issue is not per diem; the issue is expenditure of campaign funds for already reimbursed expenses.
243	Rep. Holvey	States that he understands what Rep. Hunt is getting at but would like Legislative Counsel to comment on Section 17. Asks if Section 17 already addresses Rep. Hunt's concerns, or whether there is a hole that needs to be accounted for.
250	Reutlinger	Responds that as he understand the section, it would not address the per diem received during the session because it is not a reimbursement for a specific expense. States he believes the same statute allows for activities during the interim. That is what this statute is aimed at and is drawn from specifically from the SOS's Campaign Finance Manual, which also has a very similar provisions, which says you cannot use campaign funds to pay yourself for a specific reimbursement for an expense that you have been specifically reimbursed.
263	Reutlinger	States he believes the answer is if the committee wants to cover the situation that Rep. Hunt is describing, the committee needs to do more in Section 17.
267	Rep. Kitts	Comments that Section 17 is essentially addressing half or three-fourths of Rep. Hunt's concern. States that Reutlinger is saying that during the 18 months the legislature is not here, per diem is very easily define; they are expenses that are incurred as a result of being here. There is a defined amount of mileage. Believes Rep. Hunt is saying that per diem, while here, should be defined as to what it can be used for, first. And second, say a campaign, even though the SOS has already said that campaign moneys can be used for any expenses that are incurred as a result of your duties here. Believes Rep. Hunt wants to define what per diem can be used for, which is an infinite number of things, and then ban the campaign from being able to either pay for, as the SOS allows, or reimburse yourself if you pay for it.
300	Rep. Kitts	States the subcommittee, to do what Rep. Hunt wants to do, would have to require people to live on \$1,280 a month. The committee would have to define every permissible excuse or expenditure for the \$91. Contends that per diem cannot be defined.
339	Chair G. Smith	Suggests that everyone be required to submit receipts in order to receive their per diem to verify that they used it for the purpose they were supposed to use it for.

339	Rep. Hunt	Asks how that gets to campaign finance reform.
	Chair G. Smith	Responds that it would avoid double dipping. If you know you have \$91 per day, you can use up to \$91 per day and if your rental, food and mileage expense for that day is more than \$91, you would only get reimbursed up to \$91 and if expenses are less than \$91, you only get the amount of expenses. The state could save some money and make sure there is no double dipping.
356	Rep. Hunt	States it would not be per diem.
	Chair G. Smith	Agrees and states that it would be a reimbursement up to \$91.
	Rep. Hunt	States that still would not get to the issue of when you can and cannot use campaign funds.
355	Chair G. Smith	States he is being facetious and does not want to tell Rep. Thatcher how to use her money. States he understands the concept but does not know how to get at it.
359	Rep. Holvey	Comments he is thinking maybe the committee should require accounting for the expenses over \$91 if the person is using campaign contributions to supplement expenses during a legislative session. It is not saying what per diem is but it is making the person transparent because the member is spending campaign contributions during session for expenses that the \$91 has not covered. You would have to provide that accounting when you are using campaign contributions in excess of the \$91 per diem.
377	Chair G. Smith	Asks what if the committee directed the SOS to have a box that the member checks if the member received per diem for that day. The public would then be able to review the days the member received per diem and wrote a check for another purpose.
386	Rep. Hunt	Comments that the member could pay for an unlimited number of dinners.
	Chair G. Smith	Agrees. States that the member is accountable to the citizens and to the people who contributed money because they can look at the C&E to see how they spent it and know the other uses of the money that day.
392	Rep. Hunt	

States that as he understands it, that would not ban double dipping the way the Speaker and Democratic leader defined it.

Chair G. Smith Responds that it would make the member accountable to the people who elected the member.

403 Rep. Hunt Encourages Legislative Counsel to reread the per diem statutes because the definition of per diem for the interim and for the session is almost identical language.

414 Chair G. Smith Asks how to account for the per diem.

Rep. Hunt Responds that he thinks the committee should say that a member cannot spend funds from the campaign committee for any expense for which the member receives reimbursement.

424 Rep. Kitts States that if Rep. Hunt wants to do that, you have to define per diem and exactly what it can be used for, every permissible expenditure. Reiterates expenses that would need to be included.

451 Rep. Hunt Comments he trusts the IRS and is sure however the IRS defines per diem is fine and adequate for our purpose.

456 Rep. Kitts States that the committee is digressing from campaign finance into per diems and salaries. Any expenditure that is made in session or not in session is required to be reported with the SOS. If a member reports something that the member did not spend money on, the member will be prosecuted for that. Adds that if per diem is received and the member pays out of the campaign for housing while in session, which is a permissible use, but if we want to require people to pay two mortgages to serve in this body, we can do that. If you also use your campaign to pay for the housing, you have to declare it as income with the IRS.

489 Rep. Kitts States it is either leave per diem as a supplement to the income, or define exactly what per diem can and cannot be used for and ban it from being reimbursed through the campaign.

499 Chair G. Smith Comments that perhaps a separate bill could be introduced that would prohibit specific uses of campaign dollars.

501 Rep. Kitts Responds that is already defined by SOS with the prohibited uses of campaign dollars in the manual.

510	Chair G. Smith	Comments that he would have no problem with another piece of legislation that outlines what campaign dollars can and cannot be used for, and perhaps that is the way to get at the double dipping.
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TAPE 10, A

021	Rep. Hunt	States that the Speaker and the Democratic leader told the public that through this legislation we were going to ban double compensation for any expense. The definition that the committee is getting that somehow there is a segregation magically between interim per diem and legislative session per diem addresses part of the issue but not the other part. We will not have banned double compensation for any expense.
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031	Rep. Kitts	States that what Reutlinger is saying is you are required to come down here and are paid mileage, you cannot reimburse yourself for that mileage. Reutlinger is saying if you come down here on a particular day and incur expenses above the \$91, you can be reimbursed. He is saying that during a legislative session, because it is a requirement to be here all the time, per diem is viewed as a subsidy to your income. That \$91 a day becomes a subsidy to the \$40 that legislators make. It is not defined; it can be used for expenses incurred. States that every permissible use of per diem would have to be defined.
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044	Chair G. Smith	Asks Rep. Hunt what his reference was to the intent of double dipping.
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	Rep. Hunt	States the language from the original agreement was to ban double compensation for any expense and "ban double dipping" was the headline.
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061	Rep. Kitts	States that the big double dipping issue was in reference to not being able to reimburse yourself for gas and for mileage.
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053	Rep. Hunt	States that was not the full breadth of the agreement reached between the Speaker and the Democratic leader.
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055	Rep. Hunt	Comments that perhaps the committee should ask them what their intent was.
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053	Chair G. Smith	Asks Reutlinger and SOS if there is a way to work toward finding a solution on banning double compensation without creating a
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tremendous workload for them, or micromanaging this to a point where it becomes to burdensome.

- 064 Reutlinger Responds he can attempt to draft something that applies more broadly but he cannot speak to enforcement. It seems like it would require SOS to have information about what people have spent using their per diem money so they can make sure when a candidate reimburses themselves from campaign funds for an expense related to their official duties, the SOS could determine whether or not the person has also spent per diem for that same expense, which would then be illegal..
- 073 Chair G. Smith Asks if an expense must be associated with the per diem in order for per diem to not be taxable.
- 078 Reutlinger Responds that he believes that is accurate but is not positive.
- 076 Rep. Kitts Adds that mileage greater than 50 miles from the Capitol is not taxable.
- Chair G. Smith Asks for response to suggestion that we have a statement that says a receipt for an expenditure shall not be doubly recorded, a receipt for an expenditure shall not be used for...you can't list it on your C&E and also use it for personal IRS reasons.
- 089 Rep. Kitts Comments that he doesn't think members can do that now.
- 096 Norman Turrill States that ORS 260.407 describes uses of money contributed to a candidate. One use is "to defray any expense incurred in connection with the recipient's duties as a holder of public office." Suggests that if the committee does not want that to happen, the subsection could be repealed.
- 107 Rep. Holvey Comments he believes there are sometimes legitimate uses for using campaign moneys to supplement legislative business.
- 112 Turrill Agrees and states that he thinks legislative salaries should be raised.
- 113 Rep. Holvey States he is trying to address the issue without changing the definition of per diem and thinks during legislative session, if members have campaign expenditures to cover, members would have to show that they used their \$91 and account for the \$91 in order to supplement the \$91 with campaign moneys. It would not be double dipping as long

as it is accounted for. Believes that transparency piece is all that is needed to alleviate the problem of double dipping. States he does not want to get into the definitions and forbidding this or that use because it will keep the committee here for days.

- 130 Rep. Thatcher Comments that the subcommittee addressed that at the last meeting. The committee said if you are going to compensate yourself, demonstrate that you have spent the \$91.
- 134 Rep. Holvey States that you are just accounting for the campaign money that you are supplementing the \$91 with. You have to show that you spent the \$91 somewhere and that you have expenses that exceed \$91. To the extent that you are extending it, you can use campaign contributions to supplement the \$91. That is the only way I see out of this other than outright banning double use.
- 143 Chair G. Smith States that a member who violates the principle of double dipping does not have a campaign finance issue, they have an IRS issue. States that if he has a hotel bill for \$91 and chooses to write a campaign check for the \$91 and keep the per diem, he has incurred an IRS obligation to pay taxes on the \$91. If he chooses to use per diem, he has avoided the IRS issue and has not used his campaign money.
- 153 Rep. Hunt States that he agrees it is an IRS issue, but it is also a use of campaign funds in a way that is additional self compensation.
- 158 Chair G. Smith Asks why, if Rep. Hunt holds that as personal self compensation, do members who stay in their own home get per diem.
- 156 Rep. Hunt Gives example of his driving to Salem; he would be able to use his campaign money to pay for gas or mileage.
- Chair G. Smith States that Rep. Hunt's per diem would be taxable.
- Rep. Hunt States that his per diem is taxable because he is less than 50 miles from the Capitol.
- Chair G. Smith Asks the subcommittee what they would like to do.
- Rep. Hunt Suggests having a consultation with the Speaker and the Democratic leader on this.

181	Rep. Holvey	Comments he thinks there is a way through this situation to basically do what we have be tasked with, which is to ban double compensation for any expense without addressing the whole per diem issue. Thinks all we need to do is provide the transparency to SOS that disallows members to have double compensation for an expense, and not limiting what the expense is. It is at least a step toward what we have been asked to do and cannot figure out why members cannot be accountable for those expenses. Once members go over \$91 they have to account for the \$91 plus whatever the campaign supplement is.
199	Chair G. Smith	Asks what if we had a statement that said you cannot use campaign dollars for those expenses you pay with the per diem allowance.
199	Rep. Hunt	Comments it is that simple. Then per diem would apply the same during the interim and the session.
201	Chair G. Smith	Comments that he does not know how to become big brother but that would meet the language.
230	Lindback	States he is trying to envision if SOS received a complaint about that. States that they pursue complaints if they are received. They simply ask the person for documentation.
208	Rep. Holvey	States that is all we need.
208	Rep. Hunt	Adds that is all we need without having to submit to record keeping.
212	Rep. Holvey	Adds that the member must be prepared to submit it in case SOS wants to ask for it.
214	Lindback	States that if the bill specifically bans double dipping, in all cases, the complaint would have to be that there was some sort of double dipping and SOS would have to ask for documentation to see how the funds are spent. States that the crux of the problems is the difference of legislative per diem between session and interim, but that is not campaign law. Suggests that it needs to be addressed however the legislature sets that statute.
228	Rep. Hunt	Comments that the Chair's amendment does not get into that.
229	Chair G. Smith	Comments that he does not know how to address the issue short of what Rep. Kitts is saying and that is specifying what per diem can be

used for. While defining per diem would benefit rural Oregonians, thinks it would be detrimental to urban folks.

- 235 Rep. Hunt States that the thinks the language that Chair G. Smith suggests gets at the core of the campaign finance piece.
- Rep. Kitts Ask Chair G. Smith to repeat his proposed language.
- Chair G. Smith Restates suggested language, “you cannot use campaign dollars for those expenses you paid for with your per diem allowance.”
- 226 Rep. Kitts Adds that then you document what you paid for with you per diem allowance, or have documentation readily available.
- 240 Rep. Kitts Questions what happens if there is an investigation. States he thinks if Rep. Hunt is fine with the language, you must talk about documenting or retaining—much like the language on bank statements—you don’t file the bank statement or the per diem, but you must be readily available with the documentation as related to per diem expenditures.
- 262 Reutlinger Advises that the language could be put in Section 17 or the new ORS 260.200 that has been added.
- 268 Rep. Kitts Suggests that the committee take time out to allow him time to type the language, then move it in conceptually along with the other one. It will be reviewed by the full committee if we can pass this to the full committee. Rep. Holvey, himself and Rep. Thatcher will have something tangible to compare with what was put in the bill at that time. That is, conceptually amend the bill with what Chair G. Smith said with the caveat under the documentation section. Asks Reutlinger if that makes sense.
- 280 Reutlinger Responds that he can work something up.
- Rep. Kitts Asks if the subcommittee can wait for 15 minutes.
- 285 Rep. Hunt States his phone is going off where he is supposed to already be and states that the committee has a meeting posted for tomorrow.
- Rep. Kitts Responds that the Speaker and the Democratic leader want the bill out and it is posted for the full committee on Wednesday. States that the

subcommittee could meet tomorrow and move the bill out tomorrow for the full committee on Wednesday.

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| 301 | Chair G. Smith | Reads revised language for the amendment, "Expenditure shall not be considered for reimbursement by both the IRS and Secretary of State." |
| 313 | Rep. Kitts | Suggests the subcommittee adjourn, let Reutlinger work on the amendments. |
| 316 | Rep. Kitts | Asks Rep. Holvey if he would rescind his amendment for the conceptual amendment allowing Reutlinger to draft the amendment for the meeting tomorrow. |
| 315 | Rep. Holvey | Comments that the amendments will be in writing tomorrow. |
| | Rep. Kitts | States this can be hashed out in subcommittee tomorrow. |
| 321 | Rep. Holvey | States they are both important pieces, they can put it in writing, the subcommittee can take care of it tomorrow and still have it in full committee on Wednesday. |
| 325 | Chair G. Smith | Reads revised language, "You cannot use campaign dollars for those expenses you currently pay for with your per diem allowance." |
| 329 | Chair G. Smith | Adjourns the meeting at 6:05 p.m. |

EXHIBIT SUMMARY

A. HB 3458, HB 3458-1 Rough Draft amendments dated 4/11/05, staff, 6 pp