

HOUSE COMMITTEE ON ELECTIONS AND RULES
SUBCOMMITTEE ON CAMPAIGN FINANCE REFORM

April 28, 2005 Hearing Room 50

5:00 P.M. Tape 11

MEMBERS PRESENT: **Rep. Greg Smith, Chair**

Rep. Paul Holvey

Rep. Dave Hunt

Rep. Kim Thatcher

VISITING MEMBER: **Rep. Peter Buckley**

STAFF PRESENT: **Cletus Moore, Committee Administrator**

Annetta Mullins, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3458 – 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

TAPE 11, A

- 003 Chair G. Smith Calls the meeting to order at 5:44 p.m. and introduces staff and himself.
- Chair G. Smith Reminds members the subcommittee approved conceptually the amendments in the HB 3458-2 amendments at the last meeting **(EXHIBIT A)**.
- 016 Chair G. Smith MOTION: Moves to ADOPT HB 3458-2 amendments dated 4/13/05.**
- VOTE: 4-0-0**
- Chair G. Smith Hearing no objection, declares the motion CARRIED.**
- 019 Chair G. Smith Asks staff to review the HB 3458-3 amendments **(EXHIBIT B)**.
- 021 Cletus Moore Committee Administrator. Reviews the HB 3458-3 amendments **(EXHIBIT B)**.
- 034 Ted Reutlinger Legislative Counsel. Introduces himself.
- 035 John Lindback Director of Elections, Secretary of State's office. Introduces himself.
- 043 Reutlinger Explains that the HB 3458-3 amendments say that a member of the legislature may not use campaign funds to pay for food or lodging on any day a member receives per diem. That means during session for a day when a member receives per diem, the member could not use campaign funds to pay for food or lodging. It would also mean that during the interim if a member comes to the Capitol for a meeting and receives per diem, the member could not use campaign funds to pay for food and lodging on that day. Any day a member receives per diem, during the session or during the interim, a member would be prohibited from using excess campaign funds to pay for that food and lodging. Subsection (2) is basically the same theory for mileage expenses. A member would not be able to use campaign funds to pay him/herself mileage expenses for commuting between the principle residence and the Capitol; members are able to receive mileage payment under ORS 171.072 during the interim when a member travels from their home to the Capitol for a meeting. Both during

session and in the interim if a member gets reimbursed for mileage, the member cannot use campaign funds to reimburse him/herself for that expense.

- 066 Rep. Thatcher Comments that it was her understanding going through the freshman training that members of the Legislative Assembly only get paid once for a commute to the Capitol at the beginning of session and once to return home at the end of the session.
- 074 Reutlinger Responds that he is not an expert on the per diem statute, but believes it allows members during the interim to receive specific payments for mileage expenses, and provides for a per diem during the session. States he is not able to answer the other part of the question.
- 083 Rep. Hunt **MOTION: Moves to ADOPT HB 3458-3 amendments dated 4/14/05.**
- 085 **VOTE: 4-0-0**
- Chair G. Smith **Hearing no objection, declares the motion CARRIED.**
- 088 Chair G. Smith States that members also has before them the HB 3458-11 amendments (**EXHIBIT C**) dealing with the previous issue of “may” to “shall” and asks if Rep. Hunt brings the amendments forward.
- 094 Rep. Hunt Responds that the topic came up at the last meeting and they wanted to make sure the amendments were drafted in case they were not included somewhere else.
- Rep. Holvey Responds that he had the HB 3458-11 amendments drafted after the last meeting. There was quite a discussion around the “may” or “shall” and after reviewing the issue and talking to a lot of people about the may or shall, he could not see how the “may” would deliver what he felt the committee’s intent was of requiring candidates to provide documentation. By putting the word “may” in, it left the Secretary of State with quite a bit of discretion not to ask for documentation and he did not think that was the intent of the committee. That is why he asked to have the word changed.
- 107 Chair G. Smith Asks Reutlinger to explain the HB 3458-11 amendments (**EXHIBIT C**).

- 095 Reutlinger Explains that Section 7 and Section 8 are in the -11 amendments. The reason is that Section 7 applies under this bill for a year until the electronic filing system is online. Section 8 is the section that will apply during the online filing system. Section 7 says that for the principle campaign committees of candidates for nomination or election to state office only, the Secretary of State has to review the campaign finance statements that are filled by those candidates with the Secretary of State. Then, for each review the Secretary of State “shall” require each candidate to provide documentation of not more than eight transactions, transactions meaning contributions or expenditures. Subsection (2) specifies the three-month period during which the Secretary of State must conduct those reviews. In Section 8, the only difference is it is for the electronic filing system. The only real difference is in (3) where the Secretary of State would conduct those reviews on a quarterly basis.
- 130 Chair G. Smith Asks if the Secretary of State has had an opportunity to look at the amendments.
- Lindback Responds they did look at the amendments briefly and they believe it is doable. States if they are required to do it more frequently or for more committees, they would have to examine it for a fiscal impact. States it is helpful that they are given some discretion about the number of transactions they ask for.
- 138 Fred Neal Campaign Finance Manager, Elections Division, Secretary of State’s office. States there is clarification that the intent is not that they go to eight transactions for every committee, but for a district attorney candidate in an uncontested race, they could require one transaction and if is accurate, they would be done with that candidate. There is no minimum, other than one, in the reviews and can be up to eight transactions to be reviewed in this period after the election.
- 149 Rep. Buckley Asks for clarification of when the review would take place around the primary and general election.
- Reutlinger Explains it would be within the three-month period following the primary, the three-month period following the general and if there were a special election at which any of these candidates would be on the ballot, it would be in a three-month period after that election.
- 160 Rep. Holvey **MOTION: Moves to ADOPT HB 3458-11 amendments dated 4/28/05.**
- 163 **VOTE: 4-0-0**

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

165 **Rep. Thatcher** **MOTION: Moves HB 3458 to the full committee with a DO PASS AS AMENDED recommendation.**

170 **VOTE: 4-0-0**

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

Chair Smith Commends members for taking the challenge from the Speaker of the House and Democratic leader and creating a product that is transparent, accountable and is reconcilable for Oregonians. Thanks Chair Kitts for his leadership and thanks Rep. Hunt, Holvey, Thatcher and Rep. Buckley.

185 **Rep. Hunt** Thanks Chair G. Smith and states he believes the subcommittee addressed the six areas and believes it sets a good precedence for the months and years to come. States there are much broader campaign finance issues that we have to tackle that are related to the Ethics Commission and the constitutional issues, but this is a positive foundation in moving toward that honest and accountable government.

197 **Rep. Hunt** States he thinks everyone is on the same page relating to the sections of the bill that relate to the online reporting but it has never been said at a hearing. We are aware there is a Senate work group that Senator Brown is leading related just to the online reporting piece. Thinks everyone is working on the same assumption that when the bill makes it over to the Senate that whatever product they have come up with, that one section of the bill will be replaced. States that if someone has a different assumption it would be great to put it on the record now, too.

208 **Chair G. Smith** States that he wants Brian Grisham of Salem to know the committee has his statement and it is a part of the record **(EXHIBIT D)**.

Chair G. Smith Thanks staff for their work on the committee and adjourns the meeting at 5:55 p.m.

EXHIBIT SUMMARY

- A. **HB 3458, -2 amendments, staff, 9 pp**
- B. **HB 3458, -3 amendments, staff, 1 p**
- C. **HB 3458, -11 amendments, Rep. Holvey, 2 pp**
- D. **HB 3458, prepared statement, Brian Grisham, 1 p**