

CONFERENCE COMMITTEE ON HB 3458-B

August 3, 2005 Hearing Room C

3:00 P.M. Tape 2

MEMBERS PRESENT: Rep. Derrick Kitts, Chair
Sen. Kate Brown
Sen. Ginny Burdick
Sen. Jeff Kruse
Rep. Greg Smith
Rep. Kelley Wirth

STAFF PRESENT: Cletus Moore, Committee Administrator
Mike Reiley, Committee Assistant

MEASURES/ISSUES HEARD:
HB 3458-B – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 2, A		
003	Chair Kitts	Calls the meeting to order at 3:39 p.m. Opens a work session on HB 3458-B.
<u>HB 3458-B – WORK SESSION</u>		
005	Cletus Moore	Committee Administrator. Explains the –B30 amendments (EXHIBIT A) .
009	Rep. G. Smith	Asks for further clarification of the bill and the amendments.
015	Ted Reutlinger	Office of Legislative Counsel. Explains the –B30 amendments.
030	Rep. G. Smith	Asks for a clarification of the reporting time frame.
032	Chair Kitts	Answers that in July 2006, a campaign contribution must be reported in 30 days.
033	Reutlinger	Concurs with Chair Kitts and clarifies the reporting time frame.
041	Sen. Brown	Clarifies the reporting timeframe and the effective date of the bill.
050	Rep. G. Smith	Asks about the six-week campaign reporting timeframe and how it was achieved.
053	Chair Kitts	Explains the negotiation process that resulted in the six-week timeframe.
061	Rep. G. Smith	Asks about the advantage of a six-week reporting timeframe.
063	Chair Kitts	Explains the public access to public campaign contributions.
065	Sen. Kruse	Adds that candidates and political action committees (PACs) will find the campaign system easier to use.
069	Sen. Burdick	Asks how mistakes in campaign reporting could be fixed without being fined.
072	Reutlinger	Explains that the bill does not change the current system operations for amendments that are filed for reports. Describes how the Secretary of State would enforce the transfer from paper to electronic reporting.
082	Chair Kitts	Explains that the system would automatically aggregate contributions with the intent being a system that does not allow

		mistakes.
091	Sen. Burdick	Asks how amendments and insufficiencies would be addressed.
095	Fred Neal	Campaign Finance Manager, State Elections Division. Explains the operations of the electronic reporting system and how it will eliminate mistakes in reporting.
118	Sen. Kruse	Explains that rules will need to be written by the office of the Secretary of State rather than statute.
122	Chair Kitts	Adds that a penalty-free provision will be in effect during the implementation of the electronic system.
125	Rep. G. Smith	Asks for an explanation of Section 12 of the bill.
129	Neal	Explains Section 12 of the bill.
141	Chair Kitts	Adds that a candidate cannot pay himself to perform duties on his campaign such as treasurer or campaign manager.
144	Sen. Brown	States that the provisions were in the original version of the bill passed by the House.
146	Chair Kitts	Notes that Section 12 of the bill may face constitutional questions.
149	Rep. G. Smith	Asks if a candidate could hire his children to work on his campaign.
151	Neal	Answers yes.
153	Sen. Burdick	States that she works for an advertising/public relations firm and asks about associated limits that may be applicable.
156	Neal	Responds that it needs to be examined by the Secretary of State's office for clarification.
159	Chair Kitts	Notes that an example such as that cited by Sen. Burdick may be a potential constitutional conflict.
165	Sen. Burdick	Asks about a candidate working for and receiving salary from a firm and its effect on campaign operations.
169	Neal	Answers that there is a separation between working for a company and potential campaign operations.
173	Sen. Brown	Clarifies that the purpose of the bill is to prevent a candidate from being paid for work done on his or her own campaign.
178	Rep. Wirth	Asks if she could be hired by Rep. Smith to work on his campaign.
180	Neal	Answers yes.
185	Sen. Brown	MOTION: Moves to ADOPT HB 3458-B-B30 amendments dated 8/2/05.
189	Rep. G. Smith	Asks for a clarification of the intent of the bill.
191	Sen. Brown	Explains the compromise of the House and Senate versions of the bill related to reporting timeframe.
198	Sen. Kruse	Explains that the system will be "test driven" during the next election cycle and it can be amended if necessary.
208	Chair Kitts	Thanks the members of the conference committee. VOTE: 6-0-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Kitts	The motion CARRIES.
223	Fred Neal	Offers clarification of the seven-day reporting period for primary and general election and explains the timeframe considerations certificate of limited expenditure.
239	Sen. Kruse	Notes that the system is based on campaign contribution activity and if a candidate loses in the primary election, there will not be much activity to report in the general election.
245	Sen. Brown	MOTION: Moves HB 2458-B to the floor with the

recommendation that the House CONCUR in Senate amendments dated 6/22/05 and that the bill be FURTHER AMENDED by ADOPTING the HB 3458-B-B30 amendments dated 8/2/05 and the measure be REPASSED.

251	Rep. G. Smith	Commends the work of the Secretary of State on the bill. Points out that honesty cannot be legislated and it is important for candidates to be forthright during the process. States that the bill represents the beginning, not the end of campaign finance reform.
273	Rep. Wirth	States support for the bill.
	Chair Kitts	VOTE: 6-0-0 AYE: In a roll call vote, all members present vote Aye. The motion CARRIES. REP. KITTS will lead discussion on the House floor. SEN. BROWN and SEN. KRUSE will lead discussion on the Senate floor.
288	Chair Kitts	Closes the work session on HB 3458-B. Adjourns the meeting at 4:00 p.m.

EXHIBIT SUMMARY

A. HB 3458, -B30 amendments, staff, 3 pp