

HOUSE COMMITTEE ON RULES, REDISTRICTING, AND PUBLIC AFFAIRS

March 5, 2001
1:30 PM

Hearing Room D
Tapes 35 - 36

MEMBERS PRESENT: Rep. Carl Wilson, Chair
Rep. Richard Devlin, Vice-Chair
Rep. Dan Doyle, Vice-Chair
Rep. Dan Gardner
Rep. Bill Garrard
Rep. Steve March
Rep. Bruce Starr
Rep. Joanne Verger
Rep. Cheryl Walker

STAFF PRESENT: Cara Filsinger, Committee Administrator
Jennifer Goodman, Committee Assistant

MEASURE/ISSUES HEARD: WORK SESSION FOR LEGISLATIVE COUNSEL DRAFT
HB 2653 & HJR 20 – PUBLIC HEARING
HB 2654 – 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 35, A		
004	Chair Wilson	Calls the meeting to order at 1:33 p.m. Opens a work session for Legislative Counsel Draft request.
<u>WORK SESSION FOR DRAFT REQUEST</u>		
012	Brian Boe	National Association of Independent Insurers. States that there was an error when requesting the bill drafts. Adds that Representative Butler meant to request (EXHIBIT A) to be drafted. Requests that the committee move the draft to Speaker Mark Simmons.
026	Rep. Doyle	MOTION: Moves LEGISLATIVE COUNSEL DRAFT REQUEST BE FORWARDED to Speaker Mark Simmons.
029		VOTE: 8-0 EXCUSED: 1 - Devlin Hearing no objection, declares the motion CARRIED.
031	Chair Wilson	Closes the work session and opens a public hearing on HB 2653 and HJR 20.
<u>PUBLIC HEARING HB 2653 & HJR 20</u>		
045	Representative Mark Hass	District 8. Submits and testifies in support of HB 2653 and HJR 20 from (EXHIBIT B). Believes that everyone should have access to the democratic process and it should not be based upon who contributes the most money. Reviews both bills.
088	Representative Tim Knopp	District 54. Testifies in support of HB 2653 and HJR 20. Submits (EXHIBIT C). Asks the committee to pass HJR 20 to amend the free speech clause of the Oregon Constitution. Adds that this will allow the legislature to set contribution limits.

132	Senator Peter Courtney	Believes that large amounts of money are not necessary for running a campaign. District 17. Testifies in support of HB 2653 and HJR 20. Believes that raising money becomes too time consuming. Believes that limits will bring back credibility to the legislature. States that an amendment to the constitution and implementing legislation is necessary.
197	Senator Verne Duncan	District 12. Testifies in support of HB 2653 and HJR 20. Believes that a lot of money is not necessary to running an effective campaign. Adds there is the appearance of impropriety when candidates are bringing in so much money.
221	Senator Rick Metsger	District 14. Testifies in support of HJR 20. Believes that the integrity of the legislature is on the line. Adds that an amendment is necessary to push this forward. Believes that the public supports the idea of contribution limits.
270	Rep. Garrard	Asks how the senators set the limits in these bills.
278	Chair Wilson	Interjects that Representative Knopp and Representative Hass be asked that question.
285	Rep. Doyle	Points out that the HB 2653 special election will cost \$1.7 million. Asks if this is a priority.
293	Sen. Metsger	Responds that he is not that familiar with this bill. States that he is referring to the next general election. Believes that with all these bills it is a consideration.
315	Representative Carolyn Tomei	District 25. Testifies in support of HB 2653 and HJR 20. States that she wants to curb the influence of money in politics. Adds that public servants need to be careful of their appearance to the public regarding money.
361	Representative Kurt Schrader	District 23. Reviews that there are no contribution limits for the State Senate and House of Representatives in Oregon. Adds that we are one of only 16 states that has no limit. States that this is a good time for considering this issue again. Believes that limits are congruous with spending patterns in the state, remuneration in these offices, and other cases in the United States.
TAPE 36, A		
008	Rep. Schrader	Continues his testimony.
018	Representative Chris Beck	District 12. Testifies in support of the package of bills. Believes that these bills will improve public confidence. Reviews his election experience in 1996.
068	Rep. Starr	States that there was a problem in the 1996 reform. Adds that there was a disconnect between outside spending of money (independent third parties) and the limits imposed on the candidates. Asks if these bills address independent parties.
085	Rep. Schrader	Believes that this is an excellent point. Adds that this bill does not consider this problem. Asks that the committee evaluate these questions.
103	Rep. Devlin	States that the legislature cannot limit self-funded campaigns and independent expenditures. Believes that limits can be imposed on special interest groups and corporations.
121	Rep. Schrader	Responds that independent expenditures are subject to disclosure.
126	Rep. Doyle	Asks them to explain the benefit of spending \$1.7 million for a special election.
138	Rep. Beck	Responds that this spring is a good time for an election because the public does not follow the legislature once out of session.

		Adds that he does not want these bills lost in the shuffle of a large election.
167	Rep. Doyle	States that this is a heavy price tag for the special election.
161	Chair Wilson	Opens and additional public hearing on HB 2654.
<u>PUBLIC HEARING HB 2654</u>		
181	Rep. Hass	Believes in voting as soon as possible. Adds that if there are other statewide elections he would like to see these bills included. Believes that the legislators who proposed this bill would look bad if they were to run in the next election without limits.
195	Chair Wilson	Asks about the amount of the limit in HB 2654.
203	Rep. Hass	Responds that these limits match the federal limits. Adds that a reasonable amount of money can still be raised with these bills.
228	Rep. Devlin	States that a downside is that we cannot set limits on private money or independent expenditures. Asks if it is still worthwhile to do this.
261	Rep. Knopp	Responds in the affirmative. States to set reasonable limits and allow no one PAC or single person to fund more than 5% of the campaign. Believes that the limits in 1996 were not reasonable.
292	Rep. Verger	Asks how candidates control independent expenditures.
303	Rep. Hass	Explains that this bill deals with personal contributions, not with third parties.
315	Rep. Verger	Asks what the candidate can do about third parties.
325	Rep. Knopp	Responds that through early disclosure the public is made aware of what is happening with the campaign.
349	Rep. Walker	States that the real issue should be the undue or perceived undue influence by one entity. Believes that these limits are very reasonable.
389	Rep. Knopp	Refers to (EXHIBIT D) .
410	Rep. Garrard	Asks why we do not establish an overall cap on campaign spending.
420	Rep. Knopp	Responds that it is probably not constitutional. Adds that there are too many variables district to district and a general cap would not be fair to those with higher populations.
444	Rep. Hass	States that Legislative Counsel states that any caps run afoul of Federal and State Constitutions.
TAPE 35, B		
005	Rep. March	Refers to HJR 20's prohibition on accepting money during session. Asks if there is a companion bill to this.
011	Rep. Hass	Responds that all the language is in HB 2654 for the limits. Adds that Legislative Counsel sees bans as unconstitutional.
022	Rep. Knopp	Comments that that is a critical element. Adds that he does not want to spend time fundraising during session.
041	Greg Chaimov	Legislative Counsel. States that HJR 20 subsection 2B and HB 2654 sections 6 and 7 would violate the first amendment of the United States Constitution. Adds that the Oregon Constitution is less definitive.
064	Rep. Devlin	Asks if there would be a constitutional problem with the modification of the bill that would remove the limits on contributions if an opposing candidate were self-funded beyond a certain amount or there are independent expenditures beyond a certain amount.
074	Chaimov	Responds that is possible for the self-funded opponent but probably not for the independent expenditures.

079	Rep. Devlin	Asks if we would have to show corruption or possible corruption in session to impose contribution limits in order to meet a constitutional test.
087	Chaimov	Responds that potential would have to be shown.
088	Rep. March	Asks if the unconstitutionality comes from the power granted to the legislature or the exercise of that power in enacting a prohibition.
098	Chaimov	Responds that in finding a prohibition unconstitutional they would also find the authorization to do so unconstitutional.
106	Rep. Verger	Refers to the fact that contributions are considered to be part of the right to free speech. Asks how this would affect the idea of capping the total amount a candidate can raise and not putting a direct limit on the contribution of a single entity.
116	Chaimov	Responds that he does not know.
118	Chair Wilson	Asks if beyond these issues there are any other problems with these three bills.
110	Chaimov	Responds in the negative.
125	Paddy McGuire	Deputy Secretary of State. Submits (EXHIBIT E) and testifies in support of HB 2654.
179	Janice Thompson	Money in Politics Research Action Project. Submits and testifies from (EXHIBIT F) . States that their goals are to increase accountability and public participation in politics. Discusses the 1996 and 2000 elections and how the limits in HB 2654 would have affected these elections.
304	Chair Wilson	Asks for her comments regarding the contribution limits.
311	Thompson	Responds that she just received the data and has not been able to think it through yet. Continues her testimony from (EXHIBIT F) .
386	Chair Wilson	Asks about the idea of leaving campaigns to those who can finance them themselves.
389	Thompson	Explains that in the house primary 10% were financed by family money. Adds that with these limits it would have increased to 22%.
403	Rep. Devlin	Comments that under special sessions legislators are not allowed to accept donations.
422	David Buchanan	Oregon Common Cause. Submits (EXHIBIT G) .
428	Genevieve Hoffman	Oregon Common Cause. Reviews the history of Oregon campaign contributions. Believes that reform is absolutely necessary.
TAPE 36, B		
005	Hoffman	Continues testifying in support to HJR 20. Believes that contributions are breaking down the democratic spirit in politics.
034	David Fidanque	ACLU of Oregon. Testifies in opposition of HJR 20 and HB 2654. Reviews the history of campaign finance reform. States that the Oregon Supreme Court held that under the right to free speech covers campaign contribution limits. Adds that they need to amend the Federal and Oregon Constitutions in order to pass these bills. Urges the committee to think about why campaigns have become so expensive. Believes this is because of mailing charges and the use of technology that was not available in the past. States that we need to find a more creative way to get the candidate's message to the public in a cheaper way. States that limits set now will not be relevant in the future because of inflation.

214	Chair Wilson	Asks about the look of impropriety.
220	Fidanque	States that it is against the law for anyone to accept money for favors. Adds that Oregon is a state of disclosure, which is a good way of controlling dishonesty. Believes that limits in the federal arena has not helped control corruption.
245	Rep. Garrard	Asks if the candidate with the most money always wins.
251	Fidanque	Replies that this is not true. Adds that there are a numbers of factors including incumbency. States that candidates need money to create name recognition and in order to get their message to the public. Adds that public funding will be required to run elections.
303	Chair Wilson	Closes the public hearings on HB 2653, HB 2654, and HJR 20. Adjourns the meeting at 2:22 p.m.

Submitted By,

Reviewed By,

Jennifer Goodman,
Committee Assistant

Cara Filsinger,
Committee Administrator

EXHIBIT SUMMARY

- A – LC draft request, Staff, 2 pp.**
- B – HB 2653, HB 2654, and HJR 20, written testimony, Rep. Hass, 4 pp.**
- C – HB 2653, HB 2654, and HJR 20, written testimony, Staff, 1 p.**
- D – HB 2653, HB 2654, and HJR 20, editorial, Rep. Knopp, 1p.**
- E – HB 2654, written testimony, Paddy McGuire, 8 pp.**
- F – HB 2653, HB 2654, and HJR 20, written testimony, Janice Thompson, 6 pp.**
- G – HB 2654, and HJR 20, written testimony, David Buchanan, 1 p.**