

HOUSE COMMITTEE ON RULES AND REORGANIZATION

July 12, 1993 Hearing Room E 1:30 p.m. Tapes 112 - 114

MEMBERS PRESENT: Rep. John Watt, Chair Rep. Lonnie Roberts, Vice-Chair
Rep. Dave McTeague Rep. Cedric Hayden Rep. Michael Payne Rep. Eldon
Johnson Rep. Ray Baum Rep. Avel Gordly Rep. Patti Milne

STAFF PRESENT: Adrienne Sexton, Committee Administrator Bryan
Boehringer, Committee Clerk

MEASURES CONSIDERED: SB 416 - Relating to campaign finance;
appropriating money. SB 159 A - Relating to the Oregon Government
Ethics

Commission.

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These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in
quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes. [--- Unable To Translate
Graphic ---]

TAPE 112, SIDE A

003 CHAIR WATT: Calls the meeting to order at 1:37 p.m.

WORK SESSION ON 416

008 REP. FRED GIROD, DISTRICT 30: Testifies on the -11
amendments. Discusses the removal of public money to finance
campaigns.

023 REP. HAYDEN: Asks about the contribution modification.

024 REP. GIROD: Explains the tax credit limitation. Explains that
there will be a positive financial impact.

041 REP. PAYNE: Asks about the absence of the voluntary
spending limits.

042 REP. GIROD: Explains the rationale behind removing the
voluntary spending limits. Explains that the voluntary spending
limits favor the incumbent.

054 REP. PAYNE: Asks about the higher spending limits.

057 REP. GIROD: Explains that the lower public financing calls for the
higher spending limits.

066 REP. PAYNE: Asks about the contributions of the caucus
committees.

075 REP. GIROD: Explains that it was put back into the bill in an attempt to balance the challengers and the incumbants.

083 REP. GORDLY: Comments on the need to move away from the partisan labelings.

092 CHAIR WATT: Explains that one party needs to take the first step.

098 REP. GIROD: Discusses the need for a nonpartisan legislature.

105 VICE-CHAIR ROBERTS: Discusses the use of a candidates personal funds.

115 REP. GIROD: Explains that candidates can't use campaign funds for personal use.

127 CHAIR WATT: Explains the process of reviewing the amendments.

142 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Explains the amendments. Section 2 deals with pass-throughs.

169 REP. HAYDEN: Asks for clarification on section 2.

172 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with explanation of the subsections of section 2.

203 VICE-CHAIR ROBERTS: Discusses the exclusion of the national candidates from pass-throughs.

208 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation of amendments. Discusses the civil penalties.

284 REP. GORDLY: Asks for an example of the "bounty payments".

288 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Discusses consulting contracts that would require bonus payments if the candidate was elected. Continues with explanation.

309 VICE-CHAIR ROBERTS: Asks about the independent contractor.

312 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues to explain the amendments. Discusses personal services contracts.

349 VICE-CHAIR ROBERTS: Asks about the requirement of having both candidates running statewide. 356 CHAIR WATT: Explains that the Governor will be doing more traveling.

364 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation. Discusses contribution limits.

378 CHAIR WATT: Asks who qualifies for the "person other than a political committee."

385 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues section by section summary of the amemdments. Discusses the caucus committees contribution limitations.

397 VICE-CHAIR ROBERTS: Asks about caucuses accepting money from a

candidate.

401 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Believes that is true. Continues summary.

402 VICE-CHAIR ROBERTS: It is still a quasi pass through?

403 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Correct. Discusses personal contributions. Responds to the question regarding local unions.

454 VICE-CHAIR ROBERTS: Locals can give different amounts.

463 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Explains that the controlling element of the unions will be a factor.

480 RANDY STOCKDALE, REP. GIROD'S OFFICE: Explains how locals will be treated and how the by-laws work.

TAPE 113, SIDE A

024 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with explanation with Section 24. Discusses the treatment of single corporations. Discusses investigations.

062 CHAIR WATT: Discusses the limiting the use of personal funds by the candidate and family.

065 VICE-CHAIR ROBERTS: Asks Chair Watt to reexplain the question.

066 CHAIR WATT: Explains relief from contribution limits.

075 VICE-CHAIR ROBERTS: How do they describe family?

076 REP. GIROD: It's immediate family.

077 CHAIR WATT: Is there a definition of family.

081 REP. GIROD: That language is from the original bill. Explains that there is language on page 9, section 4.

092 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with explanation at Section 26. Discusses personal loans to the campaign. Discusses notification. 102 CHAIR WATT: Asks about the reference to the time frame.

113 REP. HAYDEN: Suggests a provision relating to religions.

117 REP. GIROD: Explains that the concern is with breaking your voluntary spending limit.

125 TODD JONES, SECRETARY OF STATE'S OFFICE: Explains how the office acts on complaints. Explains that the language would be interpreted as one working day.

136 VICE-CHAIR ROBERTS: Explains that it should be a working day.

143 CHAIR WATT: Clarifies the definition of a working day.

150 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with explanation of the amendments.

163 VICE-CHAIR ROBERTS: For a State Representative, are we talking about \$5000.00?

164 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Yes. Continues to explain the amendments. Discusses the transfer of funds between campaign committees.

180 VICE-CHAIR ROBERTS: Discusses running for two offices.

193 STOCKDALE: Explains that the campaign committees must be separate. Explains that the transfer can't exceed the contribution limit.

216 JONES: Explains the rationale for the language.

236 REP. BAUM: Asks about the transfer of campaign funds if a candidate switches offices.

250 JONES: Explains the process.

262 VICE-CHAIR ROBERTS: Discusses an example.

282 JONES: Explains that the bill doesn't cover that type of situation.

288 REP. GIROD: Suggests qualifying language in the bill.

301 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation of the amendments. Clarifies the contribution limits.

401 REP. MCTEAGUE: Asks about the enforcement mechanism on the pass through section.

406 CHAIR WATT: Discusses the penalty section.

453 JONES: Discusses the enforcement section.

461 REP. MCTEAGUE: Asks if the limit is existing law.

462 JONES: Explains that it is based on the occurrence.

469 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation. Discusses prohibitions on excessive use of personal funds.

478 VICE-CHAIR ROBERTS: Asks about the use of funds for "personal" use.

TAPE 112, SIDE B

051 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation of the amendments. Discusses the provision for filing the C & E reports.

069 REP. GIROD: Discusses the accountability issue.

072 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the

explanation of the amendments. Discusses the definitions in the bill. Explains independent expenditures.

087 CHAIR WATT: Asks about the definition of "single election".

091 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Continues with the explanation. Discusses the conflict amendments.

122 VICE-CHAIR ROBERTS: Asks for clarification on the reporting dates.

128 REP. GIROD: Discusses the changes in the accounting periods.

141 REP. HAYDEN: Discusses the establishment of trust funds.

151 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Discusses the changes in dates for filing campaign expenditure reports.

158 CHAIR WATT: Thanks Rep. Girod for his hard work.

164 PHIL KEISLING, SECRETARY OF STATE: Testifies on the SB 416 A. Discusses the similarities to SB 143. Discusses independent expenditures.

250 VICE-CHAIR ROBERTS: Asks about the adherence to the voluntary limits.

254 SECRETARY KEISLING: Explains that the candidates will still be able to use the tax credits.

259 VICE-CHAIR ROBERTS: Suggests working on ending smear campaigns.

268 KEISLING: Discusses constitutional limitations. Discusses vote by mail elections.

279 REP. PAYNE: Asks about the voluntary spending limits.

286 SECRETARY KEISLING: Explains the voluntary spending limits.

318 VICE-CHAIR ROBERTS: Explains that the contributor is at the mercy of the candidate.

321 SECRETARY KEISLING: Explains the enforcement of the campaign rules.

338 REP. MCTEAGUE: Asks about the establishment of the spending limits.

342 SECRETARY KEISLING: Explains the spending limits and the rationale behind the numbers.

365 REP. GORDLY: Discusses the voluntary spending limits. Discusses grassroot campaigns.

380 SECRETARY KEISLING: Discusses professional legislatures.

412 REP. GORDLY: Asks what it would take to get mandatory spending limits.

417 SECRETARY KEISLING: Explains that the Supreme Court case would

have to be overturned.

429 REP. BAUM: Asks if New Hampshire was one of the states that tried this.

434 SECRETARY KEISLING: Discusses the states that participate in voluntary spending limits.

439 REP. BAUM: Explains that even if the rules are changed someone will find a way around it. Asks if independent expenditures have been effective in those states.

475 SECRETARY KEISLING: Discusses the independent expenditures.

TAPE 113, SIDE B

035 SECRETARY KEISLING: Continues with testimony.

058 REP. HAYDEN: Discusses potential conflicts with the constitution.

071 SECRETARY KEISLING: Discusses free speech and monetary contributions.

110 REP. HAYDEN: Asks where the problem is in the constitution.

114 SECRETARY KEISLING: Discusses the problems with campaign spending.

132 REP. MCTEAGUE: Clarifies the spending limits that were in place in Oregon in 1974.

150 JOEL ARIO, OREGON STATE PUBLIC INTEREST RESEARCH GROUP: Testifies on the bill. Thinks contribution limits are too high. Want PACs and individuals treated the same. Bill gives illusion of reform, but not true reform. Suggests minority report.

212 MOTION: REP. ROBERTS: Moves to ADOPT the SB 416 A-11 amendments.

217 MOTION: REP. MCTEAGUE: Moves to amend the above motion by cutting the contribution limits, in all categories, in half.

221 VICE-CHAIR ROBERTS: Objects to Rep. McTeague's motion.

227 REP. MCTEAGUE: Requests that the Chair call the Chief Clerk on the appropriateness of the motion.

237 VICE-CHAIR ROBERTS: WITHDRAWS PREVIOUS MOTION.

239 REP. HAYDEN: Rejects to withdrawing the motion.

243 CHAIR WATT: Relinquishes the motion and will hear Rep. McTeague's motion.

246 MOTION: REP. MCTEAGUE: Moves to ADOPT the Conceptually amended SB 416 A-11 amendments.

264 MOTION: REP. HAYDEN: Moves that the original spending limits be restored to the A-11 amendments.

274 REP. MCTEAGUE: Explains that the Committee would be voting on the issue of the contribution limits.

279 REP. BAUM: Explains that the Committee needs to adopt the A-11 amendments before changes can be made.

287 CHAIR WATT: Clarifies the motion.

VOTE: 7-2 Motion passes AYE: Baum, Gordly, Hayden, Johnson, Milne, Roberts, Watt NO: McTeague, Payne

302 MOTION: REP. ROBERTS: Moves to ADOPT the SB 416 A-11 amendments.

VOTE: 8-1 Motion passes AYES: Baum, Gordly, Hayden, Johnson, Milne, McTeague, Roberts, Watt NO: Payne

315 REP. HAYDEN: Asks if the Committee has moved the bill.

320 CHAIR WATT: Yes, but we must wait for fiscal.

330 MOTION: REP. MCTEAGUE: Moves to conceptually adopt a voluntary spending limit proposal to add to this legislation.

339 REP. HAYDEN: Objects to the conceptual amendments. Requests them in writing.

345 REP. MCTEAGUE: Asks if the -11 amendments are a gut and stuff.

349 CHAIR WATT: Yes.

350 REP. MCTEAGUE: Discusses producing the Legislative Counsel draft.

VOTE: 5-3 Motion FAILS AYE: Gordly, McTeague, Payne NO: Baum, Hayden, Johnson, Milne, Watt EXC.: Roberts

370 REP. GORDLY: Asks about the referral to Appropriations.

375 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Discusses the subsequent .

CHAIR WATT: Will not send to appropriations unless a high fiscal amount.

WORK SESSION ON 159 A

JOHN DILORENZO: Discusses the work group that he participated in. Explains that they have come to an agreement.

PAT HEARN, OREGON GOVERNMENT ETHICS COMMISSION: Discusses the changes in the bill.

TAPE 114, SIDE A

HEARN: Continues with the explanation of the bill. Explains amendments.

HEARN: Discusses the deletion on page...

HEARN: Discusses the deletion of the language on line 22 and 23.

HEARN: Discusses language changes in line 24.

HEARN: Discusses more language changes.

HEARN: Continues with the language changes.

CHAIR WATT: Asks for some clarification in the language.

HEARN: Explains the language.

CHAIR WATT: Asks for more clarification.

HEARN: clarifies the language.

DILORENZO: Explains Mr. Hearn's upcoming comments.

HEARN: Suggests calling the rules the "standards of conduct".

HEARN: Discusses the definition of cause.

REP. HAYDEN: Discusses cause action.

HEARN: Explains the use of cause in the investigation.

DILORENZO: Explains the language concerning the confidentiality rules.

HEARN: Explains that the Commission does not agree with this principle.

DILORENZO: Discusses keeping it in a competent court of jurisdiction.

TAPE 114, SIDE B

CHAIR WATT:

HEARN:

ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR:

REP. SCHOON: Discusses the A-35 amendments.

CHAIR WATT:

HEARNL

PAUL SNYDER:

CHAIR WATT: Adjourns the meeting at 4:08 p.m.