

SENATE ETHICS, ELECTIONS, AND CAMPAIGN FINANCE COMMITTEE

June 3, 1993 Hearing Room B 3:00 p.m. Tapes 74 and 75

MEMBERS PRESENT: Senator Grattan Kerans, Chair Senator Neil
Bryant Senator Joan Dukes

MEMBERS EXCUSED: Senator Rod Johnson Senator Dick Springer

STAFF PRESENT: Annette Talbott, Committee Counsel Tamara
Brickman, Committee Assistant

MEASURES CONSIDERED: Public Hearing HB 3496 Work Session SB 700

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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 74, SIDE A

004 CHAIR KERANS: Calls meeting to order at 3:24 p.m.

PUBLIC HEARING ON HB 3496

WITNESSES: REPRESENTATIVE SHARON WYLIE, Representative District 22
PETER TOLL, Oregon Newspaper Publishers Association

013 REP. SHARON WYLIE, Representative District 22: Testifies in support of HB 349 6. (EXHIBIT B)

037 PETER TOLL, Director of Government Affairs, Oregon Newspaper Publishers Association: Testifies in support of HB 3496. (EXHIBIT C)

048 CHAIR KERANS: Discusses a possible work plan for HB 3496.

WORK SESSION ON SB 700

056 ANNETTE TALBOTT, Committee Counsel: Refers to the SB 700-1 amendments as amended. Explains the amendments. Explains that sections on pass-throughs, contribution limits, prohibition on personal use of campaign funds, and the definitions of "political committee," "expenditure," "contribution," and "candidates" found in SB 416 were added to the bill. Discusses section 3, with regard to partial public financing for Senate candidates only. (EXHIBITS E and F)

086 CHAIR KERANS: Asks Sen. Bryant to discuss the conversion he had with Sen. Bunn regarding SB 700.

094 SEN. BRYANT: Comments that Sen. Bunn mentioned two things: "One, concern section 3 sub paragraph B he wanted to make sure that in order to receive your portion from the Fair Election Fund that would only occur if you agreed to the limitation and your opponent did not." Sen. Bunn does not wish people to qualify for public financing if both candidates agree to the limitation. 106 TALBOTT: Explains that

the SB 700-1 amendment did not accomplish that, but it was an "inadvertent change." Asks if that is the committee's intention. Comments that the SB 700-1 amendments as amended have included that provision on lines 25 and 26 of page 2 on the computer engrossed amendments. (EXHIBIT E)

116 CHAIR KERANS: Discusses Sen. Bunn's intent with partial public financing.

120 SEN. BRYANT: Explains that Sen. Bunn's other concern is on page 2 of the SB 700 -1 amendments as amended dealing with "contributions of money." "The point being this is the contribution that develops the threshold." (EXHIBIT F)

128 CHAIR KERANS: Explains that it is found on page 3, section 5, line 30 of the computer engrossed version. "His desire is to add back contributions from person's other than individuals." (EXHIBIT E)

135 SEN. BRYANT: "He wants the candidate to go out and raise a certain portion of the money from individuals, but if the candidate can do that then he can also raise money from a PAC with the limitations we have in here and still qualify for the funds." Discusses the percentage that Sen. Bunn suggested were between 30 and 50 percent.

141 CHAIR KERANS: Discusses that the percentage should be 50% of the first \$40,000. "You've got to get 20,000 from natural persons and then the remaining percent from all other sources, including those individuals."

146 SEN. DUKES: "You're saying that at least half of the contributions of money do not include. That section there is still accurate for half of it?"

148 CHAIR KERANS: Explains that it is, but that they will need to reword it to accomplish what he suggested in regards to the 50% threshold.

154 TALBOTT: Explains that with this scheme that it is a dollar per dollar match and asks how his suggestion would work.

159 CHAIR KERANS: "Some proportional process."

160 TALBOTT: Discusses a possible option. "In section 3, page 2 there was an insert that you would have to raise at least some threshold of money and perhaps the threshold of money could be from individuals and thereafter you could get it from anybody else."

166 CHAIR KERANS: "Why don't we say the threshold would be \$10,000 that would get you a fourth of the way down the road towards the maximum and then beyond that it's from any source. The threshold would be from individual person."

174 SEN. BRYANT: Explains that those were Sen. Bunn's only request for changes.

180 TODD JONES, Assistant to the Secretary of State: Discusses section 3. Asks the question with regard to public financing when there are more than two candidates.

185 CHAIR KERANS: Explains that all of the candidates would have to

agree to the limits to not qualify for public financing.

194 TALBOTT: Asks if all of the opponents agree then none of them would qualify for matching funds.

195 CHAIR KERANS: Explains that if there is any one candidate who does not agree to limits then the other candidate or candidates who do agree to the limits would qualify for matching funds.

199 TALBOTT: Comments that the voters' pamphlet statement is not included in this bill, but that it was included in SB 416.

202 CHAIR KERANS: Discusses with Sen. Bryant that provision for the notice in the voters' pamphlet stating that a candidate has agreed to limit expenditures is not in this bill. Asks what he thinks Sen. Bunn would feel about that. 212 TALBOTT: Explains that if a candidate violates the limits after a statement has come out in the voters' pamphlet then a statement will be printed in a future version of the pamphlet reflecting that the candidate had violated an earlier limitation agreement.

215 CHAIR KERANS: "Let's do it that way."

216 TALBOTT: Discusses section 4 as compared to other campaign finance bills, which would allow a candidate to file a withdrawal at any time subject to a civil penalty.

228 SEN. DUKES: Asks to go through that provision more specifically. Comments that she is concerned that a candidate should not be able to "change their mind three fourths of the way through the election."

232 CHAIR KERANS: Asks if the "opt out" is for a candidate that wants to "go chase after somebody whose bet the ranch."

234 TALBOTT: Explains that it is one way to allow a person to opt out, without being subject to civil penalties. Discusses a situation in which both candidates have agreed to limits, but one of the candidates withdraws. The opponent would be subject to civil penalties, as well as the other candidate if that person withdraws from the agreement even if it is done in response to the candidate's opponent. Comments that is the way SB 700 would work.

244 CHAIR KERANS: Comments that he thinks that is fine.

250 SEN. DUKES: "I'm nervous if your opponent gets out and decides to go and you don't have that opportunity."

253 CHAIR KERANS: Discusses Sen. Dukes remarks.

273 SEN. DUKES: Continues to discuss her concerns.

CHAIR KERANS: Asks if she wants to make a candidate subject to repayment but not civil penalty if the candidate is responding to an opponent's withdrawal from the agreement.

283 SEN. DUKES: Explains a "scenario" she has a concern with in regard to withdrawing from the agreement.

292 CHAIR KERANS: "Why don't we just exempt the subsequent

candidate from the civil penalty but make them subject to the repayment?"

302 TALBOTT: Discusses section 9. Discusses the Secretary of State's concern with their ability to enforce it.

316 CHAIR KERANS: "Strike this one then."

318 TALBOTT: Discusses section 17, with regard to setting up the Fair Election Fund. "It would not increase tax liability or decrease the refund." Comments on fiscal issues. Discusses section 26.

338 CHAIR KERANS: Asks if section 26 was included in Sen. Bunn's original bill.

339 TALBOTT: Explains that it was. Discusses contribution limits. Explains that the contribution limit provision was taken from SB 143 and applies to all candidates. "I wasn't sure whether or not that was the intention of the members."

350 SEN. BRYANT: Discusses that was probably not the intention because of possible opposition to the bill.

353 TALBOTT: Discusses the limits for Senate candidates in the bill.

357 CHAIR KERANS: "\$2,000 from a PAC and \$1,000 from a person. I'd rather turn that around." 360 SEN. BRYANT: Explains that Sen. Bunn doesn't have a preference regarding this.

CHAIR KERANS: "Let's make it a flat thousand."

TALBOTT: "From either?"

CHAIR KERANS: "Yes." Asks to delete the rest of the candidates from the bill.

369 TALBOTT: Comments that SB 700 does not address the party caucus issue that was addressed in SB 416.

371 CHAIR KERANS: Discusses the issue regarding the amount party caucuses can give to candidates with Ms. Talbott, Sen. Dukes, and Sen. Bryant. Suggests making it \$10,000.

413 JONES: Comments that every section from section 16 on refers to all candidates, not just Senate candidates.

424 TALBOTT: "If you don't make pass through prohibitions then the contribution limit is somewhat meaningless."

428 CHAIR KERANS: "That would apply to all because you don't want somebody to pass it through to this person use a pass through of \$40,000 to match that."

433 TALBOTT: Discusses section 23 with regard to use of personal funds for all candidates. Asks if the committee wants this to apply to all candidates or Senate candidates.

440 CHAIR KERANS: "I'd apply it across the board. That's not a question of limitations that's a matter of policy."

452 TALBOTT: Discusses section 25, pages 9 and 10 with regard to the exclusions from contribution and expenditure, which were in the SB 700-1 amendments. "The concern was that then all of those things wouldn't have to be reported by all other candidates because this definition section applies to all candidates and you wouldn't really want to set up two separate systems about what a contribution is and what an expenditure is. The dash one amendment as amended basically eliminates those exceptions from the contribution and expenditure definitions." Discusses the operative date.

TAPE 75, SIDE A

035 CHAIR KERANS: "You want to put the Fair Campaign Fund into effect for the next tax year, but I would make the expenditure and contribution limitations coterminous. Start them the same day. Wouldn't you?"

039 TALBOTT: "The only other thing is about the personal use of campaign funds and the pass throughs. Those could go into effect at any time."

042 CHAIR KERANS: "We ought to make those effective immediately, but the contributions and expenditure limitations should start for the '96 campaign season."

044 MOTION: CHAIR KERANS: MOVES TO ADOPT the SB 700-1 amendments as amended.

VOTE: CHAIR KERANS: Hearing no objections the MOTION IS ADOPTED.
EXCUSED: Sen. Johnson, Sen. Springer.

046 MOTION: CHAIR KERANS: MOVES SB 700 AS AMENDED to the FLOOR with a DO PASS recommendation.

VOTE: CHAIR KERANS: Hearing no objection THE MOTION CARRIES. EXCUSED: Sen. Johnson, Sen. Springer.

049 CHAIR KERANS: Adjourns the meeting at 3:57 p.m.

Submitted by: Reviewed by:

Tamara Brickman
Counsel

Annette Talbott Assistant

EXHIBIT LOG

A - Preliminary Staff Measure Summary on HB 3496 - Committee Staff - 1 page
B - Testimony on HB 3496 - Rep. Sharon Wylie - 1 page
C - Testimony supporting HB 3496 - Peter Toll - 1 page
D - Preliminary Staff Measure Summary on SB 700-1 As Amended - Committee Staff - 2 pages
E - Computer Engrossed SB 700 dated 6/3/93 - Committee Staff - 12 pages
F - SB 700-1 Amendments as Amended dated 6/2/93 - Committee Staff - 17 pages