

SENATE ETHICS, ELECTIONS, AND CAMPAIGN FINANCE COMMITTEE

March 30, 1993 Hearing Room B 3:00 p.m. Tapes 32 and 33
MEMBERS PRESENT: Senator Grattan Kerans, Chair Senator Neil Bryant
Senator Joan Dukes Senator Rod Johnson Senator Dick Springer STAFF
PRESENT: Annette Talbott, Committee Counsel Tamara Briclanan,
Committee Assistant MEASURES CONSIDERED: Public Hearing SB 416 -
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. TAPE 32, SIDE A

003 CHAIR KERANS: Calls meeting to order at 3:17 p.m.

PUBLIC HEARING ON SB 416 WITNESSES: DON O'MERA, Department of Revenue
RICH PEPPERS, Oregon Public Employees Union (OPEU) DAVID FIDANQUE,
American Civil Liberties Union of Oregon (ACLU) JIMI MATHERS, State
Board Oregon Common Cause DAVID BUCHANAN, Executive Director, Oregon
Common Cause

011 DON O'MERA, Department of Revenue: Discusses Oregon political
contribution tax credits. (EXHIBIT A)

050 CHAIR KERANS: Comments "we're allowing rich people to use the
income tax system to make contributions to people who are engaged in run
away campaign spending. That is the practice which our policy promotes."

064 ANNETTE TALBOTT, Committee Counsel: "The amount in parenthesis is
the percentage of people filing in that bracket who have taken the
credit?" (EXHIBIT A)

066 O'MERA: "That's correct."

072 CHAIR KERANS: Continues the discussion, with Mr. O'Mera, in regards
to political contributions tax credits. (EXHIBIT A)

094 SEN. BRYANT: Discusses, with Chair Kerans, the issue of tax credit
claims. Comments on budget involvement with tax credit claims. Senate
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107 CHAIR KERANS: Discusses policy issues regarding contribution tax
credits, in regards to campaign finance reform.

133 SEN. BRYANT: Continues the policy discussion with Chair Kerans.

136 CHAIR KERANS: Continues to comment on policy issues regarding
political contribution tax credits, the General Fund, and campaign
finance reform.

159 TALBOTT: Asks Mr. O'Mera a question on the issue "of whether or not
you track what candidates, in terms of the credit, are they for
candidates versus political committees and do you have any break down on
that?"

165 O'MERA: "We do not track that...administratively...it would some
sort of a post audit process that would be the way that we would have to
administer that."

175 CHAIR KERANS: Discusses, with Mr. O'Mera, the fiscal analysis statement and the political "checkoff" system on tax returns. (EXHIBIT ?)

220 TALBOTT: Asks, Mr. O'Mera, if he could supply data to the committee on who made the projection on the fiscal impact statement. (EXHIBIT ?)

224 O'MERA: Discusses, with Chair Kerans and Ms. Talbott, the bill in regards to a political checkoff system on tax returns and what requirements it would present to the Department of Revenue.

253 TALBOTT: Continues the discussion on a checkoff system for tax return (for public financing). 269 RICH PEPPERS, Political Director, Oregon Public Employees Union (OPEU): Testifies in favor of campaign finance reform. Discusses the issues OPEU supports and does not support in SB 416. (EXHIBIT C) 356 CHAIR KERANS: Discusses with, Mr. Peppers, the issue regarding a "per capita or graduated scale system" for PACs. 361 PEPPERS: Explains the suggestion for a "per capita or graduated scale system" for PACs.

370 CHAIR KERANS: Asks a question on the subject of contribution limits for PACs.

375 PEPPERS: Responds to Chair Kerans' question.

387 CHAIR KERANS: Continues to discuss, with Mr. Peppers, the explanation of the "per capita/graduated scale system" for PACs.

458 DAVID FIDANQUE, ACLU: Testifies in opposition to SB 416, comments that the ACLU opposes contribution and expenditure limits. Comments that the ACLU supports public financing of campaigns. (EXHIBIT D)

TAPE 33, SIDE A

034 FIDANQUE: Continues testimony on SB 416. Comments on specific sections: section 33, definitions of contribution, independent expenditure. Discusses constitutional issues. (EXHIBIT D)

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073 CHAIR KERANS: Comments that the bill does not have contribution limits on independent expenditures and that expenditures on ballot measures have not been addressed. Asks if Mr. Fidanque is referring to the words "for the purpose of influencing an election for public office" on pages 43, 44, and 45. 083 FIDANQUE: Comments that it is the combination of those words with language on lines 40 and 41 "furnishing without equivalent compensation or consideration of money services. There may be some unintended consequences of linking those."

089 CHAIR KERANS: Discusses the issue with Mr. Fidanque.

091 TALBOTT: Comments that there are possible amendments to deal with "newspaper editorials and some other non-partisan activity and some other communications that an organization might make to its members, if it's not organized specifically for the purpose of influencing an election."

103 FIDANQUE: Discusses the definition of political committee page

16, lines 34-37. 111 CHAIR KERANS: Asks what incidental purpose is.

111 FIDANQUE: Discusses that the current language "could easily be read to require an organization, such as the ACLU which purchased a voters' pamphlet argument in the last election, to disclose its entire membership. Which would clearly be in violation of the first amendment." Discusses a specific case. Continues to discuss contribution limit requirements "coupled" with this language. 148 CHAIR KERANS: Discusses the issue of giving the Oregon Supreme Court original jurisdiction with SB 416 . Asks if the ACLU objects to a "matrix or a process in which candidates come to a fork on the road and they get to choose...route A, which is...limit the amount of contributions I am going to receive and the amount I am going to spend...or I'm going to go over here and raise as much as I possibly can and spend as much as I've got out of my own resources..."

164 FIDANQUE: Comments that the ACLU would agree "with the proviso that the government does not attempt to constrict that choice."

168 CHAIR KERANS: Discusses with, Mr. Fidanque, the state's and statewide interest in political campaigns. Discusses public financing issues. 188

FIDANQUE: Comments on the Oregon ACLU's position on public financing. 193 CHAIR KERANS: Addresses the issues, with Mr. Fidanque, that the ACLU differs with in regards to the SB 416.

198 FIDANQUE: Discusses that the ACLU sees problems with "provisions of the bill that tie the allowance of the tax credit to only those candidates that chose route A (voluntary expenditure limits)." Discusses the issue of the public disclaimer being placed in the voters' pamphlet of candidates who have agreed to voluntary expenditure limits.

222 CHAIR KERANS: Discusses, with Mr. Fidanque, the issue of public disclaimers in the voters' pamphlet and the requirement for candidates to pay for space in the voters' pamphlet. ~- .

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238 SEN. BRYANT: Asks a question in regards to the ACLU's position on the tax credit.

240 FIDANQUE: Discusses the issue and comments on two Attorney General opinions in regards to the constitutionality of tying tax credits to voluntary expenditure limits.

263 JIMI MATHERS, State Board of Oregon Common Cause: Testifies on the issue of campaign finance reform. Addresses provisions in SB 416. (EXHIBIT B)

390 SEN. SPRINGER: Asks what Common Cause would suggest to deal with independent committees.

392 DAVID BUCHANAN, Executive Director, Oregon Common Cause: Comments on the issue of independent committees.

411 SEN. SPRINGER: Asks if Common Cause is aware of any state successful in dealing with the independent committee issue.

416 BUCHANAN: Comments that where it has been attempted it has been litigated. Discusses that in New Hampshire and Minnesota it is in litigation. 421 CHAIR KERANS: Asks if Mr. Buchanan read the language

in SB 416 that addresses independent committees.

425 BUCHANAN: "Yes. That's the direction to go."

427 CHAIR KERANS: Discusses the issue of expenditure limits and the cost of campaigns. "Is it the fact that they get to speak more than once that's offensive, or is it the source of the money that they use to speak frequently? I think it's the latter, but I hear you saying, even speaking frequently is a problem." 473 MATHERS: Discusses Common Causes's suggestions for expenditure limits. (EXHIBIT B)

482 CHAIR KERANS: Continues the discussion of expenditure limits and campaign costs.

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036 CHAIR KERANS: Continues the discussion of expenditure limits and campaign costs.

039 MATHERS: "I would like to the campaign more with talking with the people."

042 BUCHANAN: "Our basic premise is not how many times you can mail to a voter, but how many times you can speak to them free on a doorstep, in a meeting..." 045 CHAIR KERANS: Discusses Mr. Buchanan's statement.

056 SEN. BRYANT: Comments on certain expenses for the campaign within his district. Comments on the distinction between rural and urban candidates.

069 CHAIR KERANS: Discusses a committee plan in regards to SB 416.

146 CHAIR KERANS: Adjourns meeting at 4:25 p.m.

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Submitted by: Reviewed by: Tamara Brickman Annette Talbott
Assistant Counsel

EXHIBIT LOG A - Oregon's Political Contributions Credit - Don O'Mera - 1 page B - Testimony on SB 416 - Jimi Mathers - 3 pages C - Testimony on SB 416 - Rich Peppers - 3 pages D - Testimony on SB 416 - David Fidanque - 2 pages E - Fiscal Analysis of SB 416 - Committee Staff - 2 pages

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