

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

March 6, 1991                      Hearing Room E 8:30 a.m.                      Tapes 56 - 57  
MEMBERS PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair  
Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley  
Rep. Lonnie Roberts MEMBER EXCUSED:                      None VISITING MEMBER:                      None  
STAFF PRESENT: Randall Jones, Committee Administrator Carolyn Cobb,  
Committee Assistant MEASURES CONSIDERED: HB 2465 - Requires  
Disclosure of Amount Paid Person for Obtaining Signatures on Prospective  
Petition, PH, WS HB 2479 - Eliminates Income Tax Credit for Political  
Contributions, PH, WS HB 2490 - Requires Candidates and Political  
Committees to file Additional Statement, PH, WS HJR 8 - Establishes  
Four-Year Terms for Representatives and Six-Year Terms for Senators, PH,  
WS

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 56, SIDE A 004 CHAIR MARKHAM: Calls the meeting to order at 8:37  
a.m.

2465 - REQUIRES DISCLOSURE OF AMOUNT PAID PERSON FOR OBTAINING  
SIGNATURES ON PROSPECTIVE PETITION - PUBLIC HEARING Witnesses: Cindi  
Carrell, Assistant to State Representative William Dwyer Sue Proffitt,  
Elections Division Cherie Holenstein, Coalition for Petition Rights  
House Committee on State and Federal Affairs March 6, 1991- Page 2

Lloyd K. Marbet, Forelows on Board Margot Beuttler, Citizen

012 CINDI CARRELL, ASSISTANT TO STATE REPRESENTATIVE WILLIAM DWYER:  
Submits and summarizes several options for amending HB 2465 (EXHIBIT A).  
Directs the committee's attention specifically to paragraph 2, options  
C, D, and E. Reports that from her discussion with the Secretary of  
State's office, paragraph 3, options A and B may be possible.

025 CHAIR MARKHAM: When we last talked about this, we wanted to be sure  
the person circulating the petition must state immediately if they are  
being paid, and the petition must state who is paying for the  
signatures.

030 REP. BELL: Do they have to say so verbally?

031 REP. NOVICK: It was just on petition.

037 CHAIR MARKHAM: Is it true you may not have paid and unpaid  
petitions circulating at the same time?

040 SUE PROFFITT, ELECTIONS DIVISION: Yes you can. Often petitioners  
will start with volunteers, then as they get closer to a deadline, start  
paying circulators. Once they start paying, they must notify our office  
and file that information with us.

050 CHAIR MARKHAM: That is present law?

051 PROFFITT: The petitions then must state that circulators may be  
paid for gathering signatures.

059 CARRELL: The problem that Rep. Dwyer sees is that while it says chief petitioner, that does not define the PAC that may be funding the petition.

065 PROFFITT: Normally the PAC would not be identified until the final petition was filed in our office.

071 VICE CHAIR SOWA: That is the reason I support paragraph 2, option D. Basically there should be language on the face of the petition that says these are paid petitioners, possibly even listing a telephone number to call for more information. 080REP. FORD: I like paragraph 2, option B which would have two boxes for that particular petitioner. Each carrier of a petition should be identified as being paid or unpaid.

095 RANDALL JONES, COMMITTEE ADMINISTRATOR: Submits and reviews hand-engrossed -HB 2465 dated 2/14/91 (EXHIBIT B) which includes the amendments previously adopted by the committee. 100 CHAIR MARKHAM: We are back to a menu on which there is no consensus. 105 REP. NOVICK: I agree with the principal of the bill, but we keep coming back to some of House Committee on State and Federal Affairs March C, 1991 - Page 3

these problems. The names used by some of the payers may be more misleading than no identification.

121 REP. OAKLEY: In looking at the different options, I would go along with Rep. Ford in approving paragraph 2, option B. It would at least solve some of the problems.

127 REP. NOVICK: If I had any preference, it would probably be paragraph 2, option B.

132 REP. BELL: If I cared enough to see they are being paid, I would probably ask them outright, "How much are you being paid to do this?"

146 PROFFITT: The sponsors may change during a petition drive.

151 REP. BELL: Maybe it should be left blank to be filled in by the person carrying the petition.

153 PROFFITT: Normally the person carrying that sheet has no idea who is sponsoring the bill.

157 CHAIR MARKHAM: What do you think would satisfy our concerns and your office?

160 PROFFITT: The Secretary of State's office agrees with this concept. The simplest way would be paragraph 1 on the proposed amendments I presented (EXHIBIT C), allowing the Secretary of State by rule to prescribe the form and method of disclosing all the information, rather than trying to tie into statute every minute detail.

165 REP. BELL: The advantage of that is after one run-through, you would find out what adjustments need to be made.

168 VICE CHAIR SOWA: I would like you to tell me how you are going to do it.

169 PROFFITT: Our office is in agreement with this concept. I cannot tell you exactly how it would be done, but it would include looking at the forms, putting as much information to be helpful as possible on the

forms, and setting up requirements for filing. One matter to be addressed is how often you wish the chief petitioners to give us information on the sponsors who are paying for signatures.

186 VICE CHAIR SOWA: Discusses his concerns about having the Secretary of State's office issue administrative rules to deal with these matters.

206 CHAIR MARKHAM: You are asking her to come back with a general idea of what the rule making will look like?

210 REP. FORD: I am concerned by the potential for having to change the rules after they are out. I would rather see something set. Before we let them address this by administrative rule, I would like to be sure that Rep. Dwyer's paragraph 2, option B is included.

225 REP. BELL: In this case, I feel they are less likely to make a mistake than we are. If we make a mistake, it will be locked in for two years. They can make adjustments in the interim. If we attached to it a letter of legislative intent and we are specific, would that not be their guideline House Committee on State and Federal Affairs March 6, 1991- Page 4

for the rules? 239 REP. FORD: If you are going to make a change, when is it going to occur? Some of these petitions are out there for two years. 248 PROFFITT: This did occur in the last two year cycle, and the petitions that were originated prior to the change were carried through under the original requirements. 255 REP. OAKLEY: I still like Rep. Dwyer's paragraph 2, option B in statutory form. 268 VICE CHAIR SOWA: I do not have an objection to option B, however it is very close to what they do now. 273 REP. FORD: The difference is, it is geared to the individual petition circulator. 277 CHAIR MARKHAM: How would it be if we have amendments drawn that would adopt paragraph 2, option B? 286 CARRELL: My question to the committee is, do they want to amend the language about the chief petitioner to say "chief petitioner and chief PAC sponsor"? 299 REP. BELL: I would like to consider page two, paragraph 3, option B. I feel this may give us the spot to go to we want, without tying people into monthly reports or anything else. 317 VICE CHAIR SOWA: Isn't that the present law? 318 PROFFITT: At the time of filing the final petition, that disclosure is made. 328 VICE CHAIR SOWA: Dwyer's basic philosophy was that if a person was asked to sign a petition, they could find out if the circulator was being paid and by whom. Option 3) B does not really do that. 345 REP. ROBERTS: Is there a fiscal impact statement on this?

352 JONES: There is none with the current language, however, that does not take into consideration any amendments. 361 CHERIE HOLENSTEIN, COALITION FOR PETITION RIGHTS: Gives examples of problems she sees with the bill. Adds additional burdens to groups who are trying to collect signatures on initiative petitions. TAPE 57, SIDE A 010 HOLENSTEIN: They forget there are people out there circulating petitions on a volunteer basis. Describes difficulty of getting sufficient signatures on volunteer basis. What the committee should be looking at is reducing the number of signatures required. 051 CHAIR MARKHAM: What is it you would like the committee to do?

These minutes contain materials which paraphrase and/or summarize statement made during this session Only text enclosed in quotation marks report a speaker's exact words For complete contents of the proceed ~gs, please refer to the tapes House Committee on State and Federal Affairs

053 HOLENSTEIN: I do not know what is going to be proved by having a statement that a PAC is paying for signatures. The names can be so hidden. I was really concerned about tampering with the petition process and making it more burdensome.

070 REP. BELL: We are sympathetic to your concerns, that is why this is taking us so long.

077 LLOYD K. MARBET, FORELAWS ON BOARD: I would like to understand what I see transpiring here today. Is it my understanding that the language that is currently proposed in HB 2465 on lines 27 through 29 would be substituted with an amendment which is Rep. Dwyer's option B? If that is the case, my written testimony (EXHIBIT B) becomes moot. I am very concerned about listing amounts. I have provided in my testimony examples of how I see that setting up a situation in which signatures are removed from a petition because it was signed after an amount was increased. It sets up an interesting problem for people trying to participate in the initiative process and really does not convey substantive information to the public. I see no reason to change the existing law, but I have no problem with option B.

102 VICE CHAIR SOWA: The committee has decided the wording in the lines you identified is not wording we are willing to go forward with. Discusses the other options presented in testimony.

114 MARBET: The amendments offered by the Secretary of State, I find objectionable because there is no way of knowing exactly what hurdles will be put into place. Option B proposed by Rep. Dwyer is acceptable. Favors public disclosure as long as it is not burdensome on the public. Thinks the amendment cures most of the problems of the measure.

158 REP. BELL: If something is disclosed, can it be done in such a way that people will not sign the petition? If it is to prevent people from signing because the circulators are being paid, then the report would have to be done early. If it is simply to let the public know that the issue got on the ballot because a lot of money was involved, then disclosure at a certain point before the election is all that is needed.

172 MARBET: Gives some examples of paid petition drives and the results. Does not think the public is swayed by money as much as by content. The amount of money spent is already a reporting requirement at the end of the campaign, and the media does convey to the public exactly where the money came from. I think you already have a process that does what you want. I think this is a proposal that would defeat the initiative process, making it cumbersome on the people who are circulating petitions.

207 REP. BELL: How would you feel about the check-off box on the petition, if when they were submitted to the Secretary of State, a small report of how much they were paid was put on file?

211 MARBET: The Contributions and Expenditures report you have to file anyway, shows how much you paid to individuals.

218 REP. BELL: When is that due?

219 MARBET: Just after the filing of the petition.

236 VICE CHAIR SOWA: The Secretary of State devised the appearance of the petition by rule ..~

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation matlcs report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. House Committee on State and Federal Affairs March C, 1991 - Page C

making. Is there anything that keeps him changing his rules and putting the box on the petition form as provided in Rep. Dwyer's proposal?

246 PROFFITT: I do not think so, but I am not that familiar with the rule.

249 MARBET: The Secretary of State can set rules as long as they are within the confines of the statute.

253 REP. BELL: Your Contributions and Expenditures report would also already disclose any groups that were funding the petition drive.

261 REP. OAKLEY: Signatures on petitions already out would be counted even if they were gathered on the old form?

268 PROFFITT: Yes.

274 MARGOT BEUTTLER, CITIZEN: I agree that Rep. Dwyer's option B is the best of the amendments, but I question why this bill is needed at all. The issue is not whether circulators are being paid or not, but where is the money coming from. The issue that has not been discussed is, is it more important to focus on the \$40,000, roughly \$5 an hour the petitioner makes, or the \$3 million it takes to shoot a ballot measure down on election day. Almost all of these campaigns are some kind of reform effort that is defeated by big business.

349 REP. ROBERTS: Several sessions ago we were worried about what was happening in California. They were creating the issue and then selling themselves to run the campaign for or against something. We did not want big bankrolls coming into this state who did not care about the issues. The perception is that people are trying to buy the issues onto the ballot.

HB 2465 - REQUIRES DISCLOSURE OF AMOUNT PAID PERSON FOR OBTAINING SIGNATURES ON PROSPECTIVE PETITION - WORK SESSION

408 REP. ROBERTS: Suggests striking out the words "shall list the amount the person will be paid" on pages 1, 2, 3 and 4 of the bill, because I do not think it is important. The thing that is important is, if are they being paid, not how much.

TAPE 56, SIDE B

014 MOTION: REP. ROBERTS moved to amend HB 2465 by deleting the words "the amount any person will be paid for obtaining signatures and" wherever they appear in the bill. 018 REP. ROBERTS: I would like to put Rep. Dwyer's option 2) B in the bill and take the amount being paid out. 019REP. FORD: Could we move to send this bill to Legislative Counsel to do away with everything except putting the language in that would allow option 2) B?

Those minutes contain materials which paraphrase and/or summarize datements 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. Howe Committee on State and Federal Affairg March 6,1991- Page 7

025 VICE CHAIR SOWA: I would oppose that. Proposes sending the bill back to Legislative Counsel, and ask how much of the concept the Secretary of State can do by administrative rule. 033 REP. FORD: I know they can do it, but I want it in the statute. I would go along with the rest of Rep. Sowa's proposal, and put the two together. 037 REP. BELL: His proposal, as just stated, included who is paying, and option 2) B does not include that. 042 VICE CHAIR SOWA: I would like to restate what I said. Have Legislative Counsel state what parts of the bill remain after we take out the words in bold type, which say it shall list the amount and list the people. 047 REP. ROBERTS: Also ask them about 2) B being added to the bill.

HB 2479 - ELIMINATES INCOME TAX CREDIT FOR POLITICAL CONTRIBIJCTIONS - PUBLIC HEARING Witnesses: Rod Harder, Citizen Vernon Struble, Citizen

067 ROD HARDER, CITIZEN: States his opposition to the elimination of the tax credit for political contributions.

089 REP. ROBERTS: What would you say is the average yearly contribution to a political action committee (PAC) by a working person?

090 HARDER: They take full advantage of the \$50 credit.

106 VERNON STRUBLE, CITIZEN: Opposes the bill because for the most part, it is an opportunity for the small contributor to have his voice heard. Without the avenue of contributing to the PAC, those voices would not be heard. 123 REP. ROBERTS: Were you at any time coerced or threatened into contributing to a PAC? 124 STRWLE: No, no way.

HB 2479 - ELIMINATES INCOME TAX CREDIT FOR POLITICAL CONTRIBUTIONS - WORK SESSION 132 MOTION:REP. ROBERTS moved to table HB 2479.

VOTE: In a roll call vote, the motion carried, with Rep. Novick, Rep. Oakley, Rep. Roberts, and Rep. Sowa voting AYE. Rep. Ford and Chair Markbam voting NAY. Rep. Bell was excused.

These minutes contain materials which paraphrase and/or summarize datementa made Juring this session. Only text enclosed in quotation marke report a speaker's exact words. For complete contents of the proceed ~gs, please refer to the tapes. Home Committee on State and Federal Affairs March 6, 1991 - Page 8

HB 2490 REQUIRES CANDIDATES AND POLITICAL COMMITTEES TO FILE ADDITIONAL STATEMENT OF CONTRIBUTIONS AND EXPENDITURES - PUBLIC HEARING Witnesses: None

156 VICE CHAIR SOWA: Is there anyone who wishes to testify on HB 2490?

157 VICE CHAIR SOWA: Hearing no response, the public hearing is closed.

HB 2490 REQUIRES CANDIDATES AND POLITICAL COMMITTEES TO FILE ADDITIONAL STATEMENT OF CONTRIBUTIONS AND EXPENDITURES - WORK SESSION

159 JONES: At the recommendation of Chair Markham, I requested

Legislative Counsel draft some amendments to delete the language dealing with the additional Contributions and Expenditures reports, and to leave the rest of the bill as is starting with Section 7, limiting campaign contributions. Section 10 on pages 11 and 12 which discusses some of the limitations to campaign contributions, was not included in the amendments. The intention was to delete language dealing with the Contributions and Expenditures reports, and leave in language to cover the contributions from campaign to campaign.

179 REP. ROBERTS: Does that mean the various caucuses cannot have fund raisers and hand out contributions to candidates of their caucus? 184  
VICE CHAIR SOWA: If the caucus is a political action committee, that is right.

185 REP. ROBERTS: You cannot collect unless you are a political action committee.

189 VICE CHAIR SOWA: I agree that in order to do exactly what Chair Markham wanted, we would have to strike on page 12, lines 12 through 18 also.

194 REP. FORD: I understand the policy he is trying to get at with the bill, but I do not think it can work.

205 REP. NOVICK: I would agree with Rep. Ford. I am a little reluctant to address this issue in little pieces through separate bills. The experience on the federal level with even a comprehensive bill was that another way to get around the law was always found.

218 REP. FORD: If we took out the political action committee part and allowed it from candidate to candidate, you could have people donating to the political action committee and say it is earmarked for candidate X and no other, and they would do it.

223 REP. ROBERTS: I agree with Rep. Ford. We have a reporting system which is adequate. The only ones who seem to care about it are the press and someone's opponent. I just do not see any need for the bill, and I think it would give an unfair advantage to candidates who have friends who can put out a lot of money.

242 REP. FORD: Could we at least make a recommendation to Rep. Markham we do not hear the bill?

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. - House Committee on State and Federal Affairs March C, 1991- Page 9

249 VICE CHAIR SOWA: I only see a minority number of committee members who feel that way, so I would be reluctant to send him that message. Campaign finance reform is going to come within the next couple of years. If it does not start in this committee with a small bill such as this that limits pass-throughs, it is going to come by the initiative process.

258 REP. ROBERTS: I do not like to have people say give to this group or give to the caucus. But I also do not want to stop the caucuses from raising money. If you take that away, you will find the incumbents becoming more entrenched.

274 VICE CHAIR SOWA: Caucuses or PACs are not prohibited from doing what they do now, they are just going to be required to do it more openly.

276 REP. ROBERTS: Is there someone present from the Secretary of State's office who could answer these questions?

290 VICE CHAIR SOWA: What I think this does is allow PACs to continue to raise money, but they have to spend it themselves.

300 VICE CHAIR SOWA: Recesses meeting at 9:52 a.m.

-Resumes meeting at 9:59

HB 2490 REQUIRES CANDIDATES AND POLITICAL COMMITTEES TO FILE ADDITIONAL STATEMENT OF CONTRIBUTIONS AND EXPENDITURES - PUBLIC HEARING Witnesses: Larry Bevens, Elections Division

304 LARRY BEVENS, ELECTIONS DIVISION: Suggests preparing a chart which diagrams the different categories of candidate, principal campaign committee, for both national and state offices, and whom they may contribute to, or be prohibited from contributing to, under the provisions of this bill. The chart would be brought back to the committee and any questions would be addressed then.

312 REP. ROBERTS: This committee would really appreciate that.

322 JONES: I will go to Legislative Counsel and have another set of amendments drafted.

HJR 8 - ESTABLISHES FOUR-YEAR TERMS FOR REPRESENTATIVES AND SIX-YEAR TERM FOR SENATORS - PUBLIC HEARING Witnesses: None

332 JONES: At the request of Chair Markham, I had Legislative Counsel draft some amendments to HJR 8 (EXHIBIT E) which deletes the majority of the language in the bill, and leaves only the language that senators be elected for six-year terms and representatives for four-year terms.

343 REP. ROBERTS: Without the limitation?

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. House Committee on State and Federal Affairs March C, 1991 - Page 10

344 JONES: No limitation to office with this bill.

HJR 8 - ESTABLISHES FOUR-YEAR TERMS FOR REPRESENTATIVES AND SIX-YEAR TERM FOR SENATORS - WORK SESSION

371 REP. NOVICK: What is Rep. Burton attitude on the amendments?

377 JONES: I talked with Rep. Burton's office yesterday and they had copies of the amendments in hand. I received notice late yesterday afternoon that Rep. Burton would not appear today.

388 MOTION: REP. ROBERTS moves to adopt the dash one LC amendments dated 2/22/91 to HJR 8 (EXHIBIT E). 406REP. NOVICK: I am reluctant



to vote for those amendments on their own. Although there is some attractiveness to the idea, sending this out to the voters without some sort of term limitation will sink it. If there is a fiscal impact associated with it in the area of \$30,000 to \$50,000 based on the need for additional pages in the voters' pamphlet, whatever we do, my guess is it is going to Ways and Means Committee. 421 MOTION: REP. ROBERTS Withdrew his earlier motion.

430 REP. BELL: Do we have a fiscal impact statement?

431 JONES: No, what we received from Fiscal Office is a standard analysis based on the expected number of pages in the voters' pamphlet. The current fiscal analysis rate is just over \$30,000 for the 1991-93 biennium. I have seen fiscal statements on joint resolutions ranging from \$25,000 to \$30,000, and I do not anticipate much of a change based on the amendments.

447 REP. NOVICK: I am contemplating voting against any House Joint Resolutions coming before this committee because I do not believe it is appropriate for the Ways and Means Committee, based on budget analysis, to decide what the voters are going to decide on. It appears to me, it should be the whole assembly, and if we are sending it to Ways and Means based on a fiscal analysis, that it is an improper procedure which usurps the power of the substantive committees in this body. You may see me voting against all House Joint Resolutions for the rest of the session because of that.

TAPE 57, SIDE B

016 REP. BELL: What is the alternative? When we are given bills, we need to consider them and put a "do pass" or not based on the testimony we receive. I sympathize with your feeling about sending them to Ways and Means, but I still think we have that responsibility.

023 REP. ROBERTS: I am going to agree with what I think Rep. Novick said. I wish they would come out with a hard and fast figure as to what they will accept going to the floor without referral to Ways and Means.

These minutes contain material which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report speaker's exact words. For complete contents of the proceedings, please refer to the tapes. House Committee on SB and Federal Affairs March 6, 1991- Page 11

030 JONES: What is the Secretary of State's current budget situation with regard to initiatives?

037 SUE PROFFITT, ELECTIONS DIVISION: The budget has funds built in for sixteen referrals and initiative petitions. At the general election alone, we had thirteen initiatives and two referrals, and so we had to go to the Emergency Board for funding. Anything that gets us above that sixteen measure mark, the funds will have to come from the Emergency Board to cover.

044 REP. NOVICK: I thought you had sixteen and it was thirteen and two.

045 PROFFITT: Our budget was sixteen for the biennium, so you can see how overspent we are. For the general election alone, there were forty-four petitions that went out, and we ended up with eleven initiatives and two referrals on the ballot.

051 REP. NOVICK: From my prospective, deciding whether or not a policy makes sense for the citizens of Oregon to vote on, should not be the purview of the members of the Ways and Means Committee. It should be the entire Senate and the entire House. 064 VICE CHAIR SOWA: Suggests setting the bill over until Friday. 068 REP. BELL: If a feasible bill is brought to us, it should not be turned down because we disagree with the leadership on a certain procedure. If all the farther we can pass it is to Ways and Means, at least we have done the citizens a fairness.

Submitted by: Reviewed by: Carolyn Cobb Randall Jones  
Assistant Administrator

EXHIBIT LOG:

A - Testimony on HB 2465 - Cindi Carrell - 2 pages B - Hand-engrossed HB 2465 - Randall Jones - 5 pages C - Amendments to HB 2465 - Sue Proffitt - 1 page D - Testimony on HB 2465 - Lloyd K. Marbet - 4 pages E - Amendments to HJR 8 - Randall Jones - 1 page

-

Theae minutes cordain materials which pamphrase and/or summarize statemenb made during this session. Only text enclosed in quotation marh report a spealrer's exact worde. For complete contents of the proceedings, please refer to the tapes. -