

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

. May 8, 1991 Hearing Room L 8:00 a.m. Tapes 131 - 132
MEMBERS PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair
Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oaldehy
Rep. Lonnie Roberts MEMBER EXCUSED: None VISITING MEMBER: Sen.
Joyce Cohen, District 13 STAFF PRESENT: Randall Jones, Committee
Administrator Carolyn Cobb, Committee Assistant MEASURES
CONSIDERED: HB 2490 - Requires Candidates and Political Committees to
File Additional Statement of Contributions and Expenditures, WS HB 2687
- Requires Agency Directives to Individuals To Be In Writing, WS HB 2688
- Adopts Federal Late Payment Provision Applicable to Public Improvement
Contracts, WS HB 2728 - Prohibits Candidate or Political Committee From
Making Payments Contingent On Result of Election, WS HB 3464 - Requires
Historic Preservation Officer to Review Certain State Laws and Rules for
Compliance With Federal Law, WS SB 627 - Revises Certain Procedures
Relating to Boxing and Wrestling Regulations, 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 131, SIDE A

003 CHAIR MARKHAM: Calls the meeting to order at 8: 13 a.m. House
Committee on State and Federal Affairs May 8, 1991- Page 2

SB 627 - REVISES CERTAIN PROCEDURES RELATING TO BOXING AND WRESTLING
REGULATIONS - PUBLIC HEARING Witnesses: Joyce Cohen, State Senator,
District 13: Bruce Anderson, Director, Oregon Boxing/Wrestling
Commission Jack Battalia M. D., Oregon Boxing/Wrestling Commission

009 JOYCE COHEN, STATE SENATOR, DISTRICT 13: Gives history of
professional boxing and wrestling in Oregon. -Boxing Commission has
tried to bring fairness to the participants in the sports. -Bill brings
into conformance the powers of the Oregon Boxing/Wrestling Commission
with the powers invested in most other commissions in the country. -It
allows the commission to suspend an athlete pending a hearing on their
health.

044 BRUCE ANDERSON, DIRECTOR, OREGON BOXING/WRESTLING COMMISSION:
Briefly reviews the provisions of the bill. 082 REP. FORD: Why do we
need to limit deductions to the purse to a maximum of one-third?

087 ANDERSON: Unsubstantiated expenses have been deducted from purses
without prior notice. A lot of hispanic fighters are brought up from
California who do not speak english and they are told they will receive
\$100 when the purse is actually \$500. 100 REP. FORD: If a fighter is
to get \$500, they would give so much to the manager, but the promoter
would give the money to others who say they are involved, rather than
let the fighter make that determination? 106 ANDERSON: That is right.
It puts demands on the commission at the time of the payoff to pay these
claims for expenses. Under the bill, if there is going to be any
deductions, it has to be in the contract. The commission will make sure
before the fight the fighter understands what will be paid to whom.

117 RANDALL JONES, COMMITTEE ADMINISTRATOR: You mentioned matchmaker,
is that synonymous with promoter? 119 ANDERSON: No, the promoter is
the sole responsible party that is licensed by the commission to conduct
the event. If he is qualified to be his own matchmaker, he does not have
to have a matchmaker's license. Matchmaker requires a separate
expertise. He has a tremendous responsibility to provide medical

examinations, eye examinations and so forth. 135REP. BELL: I appreciate you are looking out for not only the public, but the fighters themselves. 143 REP. FORD: Have the standards changed and that is why we need to bring them into line? 148 ANDERSON: When you bring a bill in to create any kind of commission, it may take two or three sessions to tighten it up. From experience and from meeting with different commissions from all over the country, we know what we need to improve.

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158 REP. FORD: When this went into effect, were there other states, and are there still other states that do not have commissions with these kinds of standards?

162 ANDERSON: There are about four states that do not have commissions.

166 JACK BATTALIA M. D., OREGON BOXING/WRESTLING COMMISSION: Our first priority is boxing safety. We try to bring our standards up to the International Boxing Federation standards.

178 REP. FORD: Are the provisions in this bill adequate to meet the need to provide medical protection to participants?

181 BATTALIA: Yes, they are. There is only one thing I would ultimately like to see, and that is a cutoff age for boxers.

SB 627 - REVISES CERTAIN PROCEDURES RELATING TO BOXING AND WRESTLING REGULATIONS - WORK SESSION

193 MOTION: REP. FORD moved SB 627 to the floor with a "do pass" recommendation.

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

HB 3464 - REQUIRES HISTORIC PRESERVATION OFFICER TO REVIEW CERTAIN STATE LAWS AND RULES FOR COMPLIANCE WITH FEDERAL LAW - WORK SESSION

208 RANDALL JONES, COMMITTEE ADMINISTRATOR: Submits and reviews proposed dash one amendments dated 5/7/91 to HB 3464 (EXHIBIT A).

235 DOUGLAS HUTCHINSON, EXECUTIVE OFFICER, LEGISLATIVE COMMISSION ON INDIAN SERVICES: Suggests Mr. Hamrick speak on the proposed amendments.

237 JAMES HAMRICK, DEPUTY HISTORIC PRESERVATION OFFICER, STATE OF OREGON: Expresses acceptance of the proposed amendments. 254 MOTION: REP. NOVICK moved to adopt the dash one LC amendments dated 5/7/91 to HB 3464 (EXHIBIT A). 255 CHAIR MARKHAM: Hearing no objection, it is so ordered. 256 MOTION: REP. NOVICK moved HB 3464 as amended to the floor with a "do pass" recommendation. 275 VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Sowa, and Chair Markham voting AYE. Rep. Roberts was

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proceeding, plene refer to the tape - House Committee on State and Federal Affairs May 8, 1991 - Page ~ excused.

HB 2688 - ADOPTS FEDERAL LATE PAYMENT PROVISION APPLICABLE TO PUBLIC IMPROVEMENT CONTRACTS - WORK SESSION

301 JONES: Submits proposed dash one LC amendments dated 5/2/91 (EXHIBIT B). JOHN GERVAIS, NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION: The most important thrust is the relationship between the general contractor and the various sub contractors as they relate to the public sector. Most of the amendments are in present state law in ORS 279.435 in terms of the thirty day requirement for pass-down, the interest requirements, and the percentage of interest, and are compatible with present state law. The other portions are in present federal statutes. -Gives brief review of the proposed amendments.

403 REP. FORD: Is this all new material? GERVAIS: The major part that is new in relation to public agencies, is the requirement that when they receive a billing they now have a stated number of days find fault with it, otherwise the interest runs and payment is required. They have to do it in writing and give you time to make the change.

TAPE 132, SIDE A

014 CHAIR MARKHAM: This has only to do with people who contract with state or local government?

015 GERVAIS: Yes. This is not the private sector.

017 CHAIR MARKHAM: If one of your people contracts with private industry to build something, everything is put in a private contract? Putting this in state law for public contracts, you do not have to have that kind of contract?

020 GERVAIS: We probably, in terms of subcontractors, would like this in the private sector too. 022 CHAIR MARKHAM: In putting this into law, if you are dealing with the government, you have to do it?

024 GERVAIS: We hope setting this standard with the public sector will set a standard for contract relations in the private sector.

030 IRENE COBURN, NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION: When you work for any kind of a public agency, you know who they are, but how and when you are paid might be another matter. -When you are work for a private firm, you have more of an opportunity to determine if they are, in fact, someone want to work for. With agencies, you do not really question that, but you hope you are going to be paid on time, but if there is a problem, you may not. . These minutes contain material 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 May 8, 1991Page 5

-I think you have more of an opportunity in the private sector to do some checking. 046 KIM MINGO, ASSOCIATED GENERAL CONTRACTORS: A contractor working for a private company has more room to negotiate their contractual terms as opposed to a public agency where you are given a standard contract.

051 CHAIR MARKHAM: Does this include all local governments? 052 MINGO: All public agencies are included. 054 REP. FORD: Does this include federal agencies? 056 MINGO: Federal law would preempt and there are already federal prompt pay statutes in place. We are patterning our

state law after the federal. 058 REP. BELL: This is not original wording, it is taken from the federal? 059 GERVAIS: We took in a copy of the federal statutes to Legislative Counsel asked they try as far as possible to make them match up. -Resumes review of the provisions of the bill. 087 CHAIR MARKHAM: Why are the state agencies not here? 089 GERVAIS: Most of this relates to the general contractors and sub-contractors. 093 VICE CHAIR SOWA: This really does not amend present law, it throws out a whole section of present law and replaces it with all new law. 101GERVAIS: Resumes review of the provisions of the bill. 117 CHAIR MARKHAM: Can't the public agency be sued if they do not make timely payment to the general contractor? 120 GERVAIS: They can be sued under the present law for interest. 124 CHAIR MARKHAM: Does this bill preclude the cities from having to pay what they owe through a civil case? 128 MINGO: It is my understanding that if the contractor sues the contracting public agency for interest due and is the prevailing party, then that public contracting agency is obligated to pay the interest due. With the new language in the bill, not only is the contractor entitled to the interest that the court may award, but attorney fees also. So the public agency would be obligated to pay, even though it has the provision it is not supposed to affect the budget of that public agency. 140 REP. BELL: The budget for a project is based upon the bid. So anything above and beyond that is going to put them into a deficit in that budget?

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144 MINGO: It is my understanding that may not always be the case because the bid that actually comes in and the budget that is set out for a particular project may already encompass the ability to pay late payment penalties. The statute reads that it does not affect the budget of that particular contract, but the contracting public agency. What they are talking about is the actual contracting public agencies budget.

158 CHAIR MARKHAM: Where is the language that says they cannot go beyond the budget?

160 GERVAIS: On page 3, lines 21 and 22 address that.

168 REP. BELL: You really feel comfortable that it does not defeat the whole purpose of the bill?

170 MINGO: That is our understanding. They are talking about the public agency's general fund as opposed to the money that would come out of the budgeted contract amount.

175 REP. BELL: I cannot think of any agency this year that has any extra dollars. Any extra expense would probably put them in a deficit position. 179 CHAIR MARKHAM: Diagrams how the law might affect a typical city budget.

187 MINGO: The way this bill is written, they would not be able to overspend the city budget, not the actual contract amount.

193 REP. BELL: The way it reads is "no interest shall be charged directly back to the contracting agency's general fund". It does not say anything about putting them in a deficit.

201 MINGO: Public agencies have their general funds and they have public works funds. From their public works fund they would issue the contract. Any deficit would come out of the public works fund.

210 GERVAIS: In my experience in working with local governments, often the public works fund will be a certain dollar amount and they are always hopeful the bid will come in under that. -Resumes review of the provisions of the bill. -Discusses difficulties in collecting interest payments on the late payments to the contractor.

277 CHAIR MARKHAM: This is really a contractor's bill of rights in dealing with the government agencies. 279 GERVAIS: The biggest portion of it is the relationship between the general contractor and the sub-contractors . 313 REP. FORD: Could we have a definition of "substantial completion 316 MINGO: "Substantial completion" normally means 80% complete. 319 REP. FORD: I wondered about that because it states that on page 4, but on page 7 it talks about contract work that is 97% completed.

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324 GERVAIS: That is typical language that relates to retainage that is in the present law. Each government agency, to protect themselves from faulty work or non-completion, keeps a certain amount of the money until they can be sure the project is going to proceed.

329 REP. FORD: Is it 80% or 97%? 330 GERVAIS: I think the 97% relates to retainage and not to substantial completion.

332 COBURN: In the private sector, substantial completion is what the architect's or the project manager's own personal feeling about it is. They can set a date or a percent of the work.

342 JONES: Is that something that is agreed to in the process of the bidding or in the terms of the contract?

346 MINGO: That is where disputes between contractors and sub-contractors, and contractors and the public agency frequently arise. That gives rise to the "punch list", which lists items that need to be completed.

367 CHAIR MARKHAM: The retainage they are retaining is 3%?

370 GERVAIS: I think it is 2.5%. In theory, they pay that with the final payment.

372 REP. BELL: Has this bill been written in such a way that it will not require a book-sized report on the desk of every legislator?

383 GERVAIS: I would be comfortable with less than a bound volume report. We are looking for an examination of the circumstances and a way to benchmark for improvement. 404 GERVAIS: Resumes review of the provisions of the bill on page 8, Section 3. 424MINGO: Section 3 is all new language because the current statute only deals with the relationship between the public contracting agency and the prime contractor, and only specifies the thirty day period and the interest

amount. The relationship between a prime contractor and his sub-contractors, the sub-contractor and his material suppliers are new language in Section 3.

TAPE 131, SIDE B

020 REP. BELL: Could that report cause a fiscal impact to this bill?

026 GERVAIS: We are interested in knowing what happens and how it can be improved. However, it is more important to develop relationships than it is to get the information. -Suggests deleting on page 6, lines 13 through 30, and on page 7, lines 1 through 4 if necessary.

032 REP. BELL: Maybe we could leave it there for now, and when it gets to the senate, the governor's office will have a chance to look at it and will know if they wish it deleted.

034 REP. NOVICK: If we do send it out this way, it could arrive on the floor with fiscal impact.

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036 GERVAIS: It would be better to make the deletions now, and try to put them back in the senate if they turn out not to be a problem. We are trying to create a system that works for everyone.

054 REP. OAKLEY: My concern is someone on the floor is going to raise the fiscal question.

058 GERVAIS: I would be very comfortable making the deletions.

062 MOTION: REP. SOWA moved to amend the dash one LC amendments dated 5/2/91 to HB 2688 (EXHIBIT B) by deleting on page 6, lines 13 through 30, and on page 7, lines 1 through 4. 071 CHAIR MARKHAM: Hearing no objection, it is so ordered. 073 MOTION: REP. SOWA moved to adopt the dash one LC amendments dated 5/2/91 to HB 2688 (EXHIBIT B) as amended. 077 CHAIR MARKHAM: Hearing no objection, it is so ordered.

079 MOTION: REP. SOWA moved HB 2688 as amended to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Oaldey, Rep. Sowa, and Chair Markham voting AYE. Rep. Roberts was excused.

HB 2688 - ADOPTS FEDERAL LATE PAYMENT PROVISION APPLICABLE TO PUBLIC IMPROVEMENT CONTRACTS TO SUCH CONTRACTS BY STATE AND OTHER PUBLIC CONTRACTING AGENCIES WORK SESSION

102 REP. ROBERTS: Requests unanimous consent that the rules be suspended to allow him to be recorded as voting AYE on the motion to move HB 2688 to the floor with a "do pass" recommendation.

104 CHAIR MARKHAM: Hearing no objection, it is so ordered.

SB 627 - REVISES CERTAIN PROCEDURES RELATING TO BOXING AND WRESTLING REGULATIONS WORK SESSION

105 REP. ROBERTS: Requests unanimous consent that the rules be suspended to allow him to be recorded as voting AYE on the motion to move SB 627 to the floor with a "do pass" recommendation.

107 CHAIR MARKHAM: Hearing no objection, it is so ordered.

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HB 3464 - REQUIRES HISTORIC PRESERVATION OFFICER TO REVIEW CERTAIN STATE LAWS AND RULES FOR COMPLIANCE WITH FEDERAL LAW - WORK SESSION

108 REP. ROBERTS: Requests unanimous consent that the rules be suspended to allow him to be recorded as voting AYE on the motion to move HB 3464 to the floor with a "do pass" recommendation.

110 CHAIR MARKHAM: Hearing no objection, it is so ordered.

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

124 JONES: Submits and reviews the proposed dash twelve LC amendments dated 5/7/91 (EXHIBIT C). Submits matrix (EXHIBIT D) indicating the impact of HB 2490-12 on political contributions. 169 MOTION: REP. BELL moved to adopt the dash eleven LC amendments dated 5/2/91 to HB 2490 (EXHIBIT E). 174 JONES: The dash eleven LC amendments dated 5/2/91 are the dash twelve LC amendments without Rep. Novick's amendments.

185 MOTION: REP. NOVICK moved to amend Rep. Bell's motion to adopt the dash eleven LC amendments dated 5/2/91 to HB 2490 by inserting Section 7 of the dash twelve LC amendments dated 5/7/91 to HB 2490.

205 MOTION: VICE CHAIR SOWA moved to amend Rep. Bell's motion to adopt the dash eleven LC amendments dated 5/2/91 to HB 2490 by on pages 4 and 5, deleting Section 5 and Section 6. 221 CHAIR MARKHAM: Rep. Bell has moved to adopt the dash eleven LC amendments, Rep. Sowa has moved to amend the dash eleven LC amendments by deleting Sections 5 and 6. 234 VICE CHAIR SOWA: There are dozens of little PACs out there that will become extinct if they do not have the tax credits. Most of them are not large, about \$2,000 is all they pull in, but it allows them to give a little money to their favorite candidates and express their feelings on certain issue.

238 REP. NOVICK: I agree with Rep. Sowa, and I do not want to take that ability away from them.

240 REP. OAKLEY: We are working very hard toward campaign reform and I think this is a step in the right direction. The PACs are in many ways giving politicians bad names. As long as we can give the tax credit to people who give to individual candidates, there is nothing to stop folks from doing that, so I will oppose removing Section 5.

245 REP. ROBERTS: The problem is that people do not understand PACs.

The media has blown it all out of proportion. There are PACs out there that are not small, but the contributors are. House Committee on State and Federal Affairs May 8, 1991- Page 10

What this does is allow the ordinary citizen get involved in the political system. They are trusting their union leadership or their company leadership to make the decision. Why not allow people to give in that way. There is going to be a lot of money hidden under this bill.

280 VICE CHAIR SOWA: I certainly agree that PACs do give political campaigns a bad name, but they are the PACs that receive large checks from people who are not even looking for the tax shelter.

298 REP. BELL: When you talk about big PACs, those PACs put money on candidates for power not for representation. They care about their bills and the power involved, and I really oppose that. When people give personally, they give because it is going to affect their district, and they want the quality of candidate and person that has integrity whether or not the bill passes. I believe it will put a lot more integrity back into the system. 316 REP. NOVICK: If you believe what you are saying, we should abolish PACs, because what you are saying is little people who are getting the tax credit cannot do it, but a corporation that can put \$20,000 into a PAC can. That does not solve your problem if you take away the tax credit. 322 CHAIR MARKHAM: Rep. Sowa moved to amend Rep. Bell's motion to adopt the dash eleven LC amendments by taking out the prohibition on the tax credit. 350 VOTE: In a roll call vote, the motion failed, with Rep. Novick, Rep. Roberts and Rep. Sowa voting AYE. Rep. Bell, Rep. Ford, Rep. Oakley and Chair Markham voting NAY.

356 CHAIR MARKHAM: Rep. Bell moved to adopt the dash eleven LC amendments dated 5/2/91.

357 VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Oakley, Rep. Sowa, and Chair Markham voting AYE. Rep. Novick and Rep. Roberts voting NAY. 367 MOTION: REP. NOVICK moved to adopt the dash twelve LC amendments dated 5/7/91 to HB 2490 (EXHIBIT C). VOTE: In a roll call vote, the motion failed, with Rep. Novick, Rep. Roberts and Rep. Sowa voting AYE. Rep. Bell, Rep. Ford, Rep. Oakley and Chair Markham voting NAY. 382 MOTION: REP. ROBERTS moved to table HB 2490. VOTE: In a roll call vote, the motion failed, with Rep. Novick and Rep. Roberts voting AYE. Rep. Bell, Rep. Ford, Rep. Oakley, Rep. Sowa, and Chair Markham voting NAY. 399 MOTION: REP. BELL moved HB 2490 as amended to the floor with a "do pass" recommendation. - The ~e ~Tunutes containD materiab which paraphrase and/or ~un~narize statemcn~ n~de during thir seuion Only text enclosed in quotation n\arl~s report a speaker's exact words For complete contents of the proceedinge, please refer to the tape. House Committee on State and Federal Affairs May 8, 1991- Page 11

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

415 REP. ROBERTS: Gives notice of intent to file a minority report on HB 2490.

TAPE 132, SIDE B

005 CHAIR MARKHAM: Recesses meeting at 9:40 a.m.

-Resumes meeting at 9:56 a.m.

HB 2728 - PROHIBITS CANDIDATE OR POLITICAL COMMITTEE FROM MAKING
PAYMENTS CONTINGENT ON RESULT OF ELECTION - WORK SESSION

009 JONES: Submits proposed dash one LC amendments dated 3/20/91 (EXHIBIT F) and proposed dash two LC amendments dated 4/18/91 (EXHIBIT G). -Submits written testimony from Phil Keisling, Secretary of State (EXHIBIT H) in support of the measure. -Both amendments deleted line 7, and as the bill progressed through committee, it was a question of how narrowly defined you wish to make these exemptions. 028 REP. ROBERTS: The thing that bothers me is the phrase "or any other thing of value". Maybe that should be anything over \$50 in value. We tie these things down so tight, there is no flexibility in the system. 039 CHAIR MARKHAM: What do the dash two amendments do that the dash one do not? 043 JONES: Reviews the differences in the two amendments. 046 MOTION: REP. ROBERTS moved to adopt the dash two LC amendments dated 4/18/91 to HB 2728 (EXHIBIT G). 048 REP. NOVICK: I like the dash one amendments better because they get to the issue of how people hire campaign managers and what their actual status is. If we adopt the dash two amendments, if you hire your campaign manager as an independent contractor, which most people do, then you cannot give them any sort of bonus. 054 MOTION: REP. ROBERTS Withdrew his earlier motion. 058 MOTION: REP. NOVICK moved to adopt the dash one LC amendments dated 3/20/91 to HB 2728 (EXHIBIT F). 062 CHAIR MARKHAM: Hearing no objection, it is so ordered. 065 VICE CHAIR SOWA: I just read the Secretary of State's letter (EXHIBIT H) and his recommendation that there be a more complete disclosure of financial arrangements for campaign work on C&E reports. - These minutes contain materiale which paraphrase and/or summarize statement" made during this session. Only text enclosed in quotation rnarics report a speaker's exact wordr. For complete contente of the proceed rg~, pleare refer to the tapes. House Co ittee on State and Federal Affairs May 8, 1991- Page 12

069 MOTION: REP. SOWA moved to adopt conceptual amendments to HB 2728 to require more complete disclosure of financial arrangements for campaign work on C&E reports, and ask Legislative Counsel to prepare those amendments. 081 VICE CHAIR SOWA: It has been my concern all along about this bill that we don't capture someone who has a staff member working for them and can't pay them the agreed upon amount, but pays them after the election. This amendment would provide that early in the C&E report you describe what the financial arrangement is, then there is no problem. 091 REP. BELL: Earlier we had such a heated discussion about disclosing the financial arrangements for signature gatherers and the people who hire them. Are we getting into that same argument here with consultants and their fees? Did you have in mind you would have to put down the whole agreement? 100 VICE CHAIR SOWA: No, I do not think so. It would just say this person is a campaign worker and we intend to pay him a certain amount a month. 106 JONES: What specific things is the Secretary of State looking for? 112 VICE CHAIR SOWA: Just exactly what he said in his letter, disclosure of financial arrangements. 113 SUE PROFFITT, ELECTIONS DIVISION, SECRETARY OF STATE'S OFFICE: Originally the staff discussed subpoena power to allow us to look at bank records for other than C&E violations. We have also discussed a requirement for a footnote on the C&E report noting contingent liabilities. Our staff would be willing to work with Legislative Counsel, based on your ideas of what you would like to see in this bill. 123 REP. ROBERTS: The Secretary of State's office is going to have to put out some kind of forms in order for people to know what to report. 128 VICE CHAIR SOWA: Just to further clarify, I have always been uncomfortable with having my staff be paid by the state as

an interim staff and then run the risk of being questioned somewhere down the line, if during the campaign season, they are doing my constituent work. If you write down who is working for you and what the arrangements are, there is no question. 137 REP. NOVICK: One of the things I have noticed from the last election is, you frequently see someone has paid \$3,000 or \$4,000 for services that happen during the campaign, but there was not any outstanding liability listed in their previous C&E reports. 146 REP. BELL: My understanding of the filing of the C&E report is that invoices and receipts go along the listing of any expenditure. However that does not show up when someone obtains a copy of the report. So there is information the Secretary of State has on file that does not show up when the public requests a copy of the report. 156 REP. NOVICK: When you request C&E report you can get every single thing that is filed, including supporting documents.

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161 VICE CHAIR SOWA: I did not mean you had to write it on that form, they will provide some kind of form for you to submit.

165 CHAIR MARIAM: Did you say you are thinking about or asking for subpoena power?

167 PROFFITT: We have subpoena power only for investigating alleged election law violations. We would like to expand that power because if we need to look at the records of a candidate, we would like to be able to subpoena bank records and contracts.

173 CHAIR MARKHAM: You do not have that authority today?

176 PROFFITT: We have the authority only if we are investigating an alleged election law violation.

177 CHAIR MARIAM: Why else would you be asking for it?

180 PROFFITT: The main thrust we are looking for is full disclosure. If we can work out a method with the C&E report to get the information required, that would be sufficient.

184 REP. ROBERTS: Every session, a little more power is given to the bureaucracies, pretty soon we are going to have to ask them to design our campaigns so we won't break the law.

190 REP. BELL: If you really oppose giving them the authority to do that, you should oppose the bill. As we pass these laws we must provide enforcement powers, otherwise they are worthless. 197 REP. ROBERTS: They can go to court today and get an order to get into the files.

207 VICE CHAIR SOWA: My proposed amendment has nothing to do with that.

213 REP. OAKLEY: In regard to the disclosure of a person who works for us, would an approximate figure be acceptable?

221 VICE CHAIR SOWA: That is what we are going to try to work out with legislative counsel. -Describes possible financial arrangement with legislative staff worker who become a paid campaign worker. 242 REP.

ROBERTS: Putting restrictions on people, all you are going to do is make them find a different way to do what they have been doing all along.

258 CHAIR MARKHAM: Rep. Sowa is going to get together with the Secretary of State's office and legislative counsel to come up with additional amendments.

HB 2687 - REQUIRES AGENCY DIRECTIVES TO INDIVIDUALS TO BE IN WRITING - WORK SESSION

275 JONES: Submits and reviews proposed dash one LC amendments dated 3/21/91 (EXHIBIT I).

There minutes contain material which paraphrase and/or summarize amendments 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 May 8, 1991 - Page 14

297 JANET CARLSON, EXECUTIVE DEPARTMENT: I am not here to take a position on the bill, but to give some background and raise some issues in terms of what has come out of the amendments. -Understood Subsection 2 and Subsection 3 would be deleted and amendments added, but they are still in the bill. Gives examples of how Subsection 2 might impact agencies such as the State Police or Corrections. -It is very broad as it is written and there is no specific time line. 346 CHAIR MARKHAM: Do not these problems come up mainly in Children's Services Division? 348 JONES: Yes, that was mentioned in previous testimony. 352 REP. ROBERTS: Are these your amendments? 356 CARLSON: These are not my amendments. I assisted Rep. Van Leeuwen and Rep. Ford in getting at the specific concerns about the bill. We tried to do that through Section 2, which are the amendments. We were proposing to eliminate subsection 2 and subsection 3. I do not know if the retention of subsection 2 was a policy decision or not. -In Section 2 we were trying to address the other human resource agencies besides CSD. 380 REP. NOVICK: For all practical purposes I assume any contracts or service agreements that we are doing now are in writing. 386 CARLSON: We believe the court orders probably fall under the procedural rules. As far as contracts are concerned, it raises a question of how far you go verbally before a written contract is required. The service agreement part, it is generally good practice to put those types of things in writing. Right now, it is not always done, but there may be a fiscal impact if it is changed to say every one must be in writing. 406 CHAIR MARKHAM: I would just as soon set this aside until Rep. Ford is present.

Submitted by: Jones/ Assistant Reviewed by: Carolyn Cobb Randall
Administrato f - These minutes contain materials which paraphrase ant/or cummarize ~atementsa mate turiy this ~sion, Only text encloaet in quotation marks report a speaker's exact words. For complete contents of the proceetings, please refer to the tapea. House Committee on State alla Federal Affain Ma, 8,1991- Page 15

EXHIBIT LOG:

A - Amendments to HB 3464 - Randall Jones - 1 page B - Amendments to HB 2688 - Randall Jones - 13 pages C - Amendments to HB 2490 - Randall Jones - 7 pages D - Testimony on HB 2490 - Randall Jones - 1 page E - Amendments to HB 2490 - Rep. Marie Bell - 5 pages F - Amendments to HB 2728 - Randall Jones - 1 page G - Amendments to HB 2728 - Randall Jones - 1 page H - Testimony on HB 2728 - Randall Jones - 1 page I -

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