

Conference Committee on HB 2490 June 24, 1991 - Page

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.

CONFERENCE COMMITTEE ON HB 2490

June 24, 1991Hearing Room B 3:00 p.m.Tapes 1 - 2

SENATE MEMBERS PRESENT: Sen. Otto Sen. Bunn Sen. Kerans Sen. Springer

HOUSE MEMBERS PRESENT: Rep. Miller, Chair Rep. Markham Rep. Brian

MEMBER EXCUSED: None

STAFF PRESENT: Randall Jones, Committee Administrator Carolyn Cobb, Committee Assistant

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TAPE 1, SIDE A

004 CHAIR MILLER: Calls the meeting to order at 3:06 p.m.

006 RANDALL JONES, COMMITTEE ADMINISTRATOR: Reviews the provisions of the House version of the bill and the Senate version of the bill.

016 CHAIR MILLER: House conferees agree with the Senate prohibition on pass-throughs. -States House members believe the repeal of political tax credits should not be tied to anything. -In the matter of public financing of campaigns, suggests House is not prepared to adopt those provisions.

030 SEN. KERANS: This bill passed 27 to 3 in the Senate as a very strong statement on public financing. -Would not have any problem with the pass-through language. -States bill needs to function as an operating whole. -Suggests adjusting by saying the limits are too low on individual contributions, perhaps lifting it from \$200 to \$250, and from \$300 to \$500 in the general election. Or lift the general expenditure limitations for the offices.

056 CHAIR MILLER: The House had a lot of concern for the taxpayers in this state. One of the least desirable things they would engage in is paying for political campaigns. -Reviews testimony received at House

hearing from political action committees. -States bill would reduce money that flows into the PACs. -One thing about public financing is that it obscures who is the interest group behind a particular candidate. -What we have emphasized is disclosure rather than limits. -Discusses possible need to change Article 1, Section 8 of the Oregon Constitution. It is not wise to embrace something that may be unconstitutional.

094 SEN. BUNN: The ability of taxpayers to check off as they can on their federal tax returns is the ideal method for public funding of campaigns. It doesn't reduce the money.

-If we eliminate the tax credits, the small grassroots organizations will be hurt the most. -If public funding is involved, it is always tied to a matched contribution, so you still know where it comes from. -Suggests allowing the Senate to voluntarily limit Senate contributions through a voluntary process and see how it works.

122 SEN. KERANS: Cites United State Supreme Court case of Buckley vs Valleho. -HB 2490, as passed by the Senate, represents the same intertwining of public financing with a limitation on voice. -Endorses the Senate's willingness to go it alone.

152 CHAIR MILLER: The constitutional provision you read may satisfy the federal constitution, but the Oregon constitution is much more protective of free speech. -Recognizing that the current tax credit is used by only 4.7% of Oregonians, we are not talking about large numbers of grassroots people who desire or are currently using the political tax credit. -I think we have to move very cautiously in thinking that the public financing would really accomplish very much in terms of cleaning up campaigns or reducing the dollars spent.

189 SEN. SPRINGER: Is excused from the meeting.

192 REP. BRIAN: Agrees with the pass-through comments. -Prefers to keep the tax credit for both individuals and PACs unless it is part of a comprehensive overhaul. -Checkoff does not have a very good track record in Oregon or nationally in terms of percentage of dollars it provides, so without question we would be looking at some general fund money. -The mechanics of the public participation in it or out-of-state dollars bothers me. I am not sure how workable that is.

211 SEN. KERANS: In the Senate version of this bill there are strict limitations on committees included. There are specific prohibitions against collusion between an independent committee and a campaign. I think the gulf is so great, it would be best not to pursue it.

230 CHAIR MILLER: Clearly we are having trouble with the public finance aspect and the repealing of the tax credit. There were no changes from the House version in the Senate version, prohibiting the pass-through. -Suggests adopting the House version of HB 2490 as the conference committee report, incorporating the language that prohibits the pass-through and deleting the rest of the bill.

241 SEN. BUNN: I am going to vote against sending out 1% of what we need to do, because we have the ability to deal with public financing and voluntary spending limits that don't violate the Oregon Constitution. -SB 700 has no limit on the amount someone can spend. It does involve public spending for those who choose not to exceed a limit. -If we pass a prohibition on the pass-throughs, we have given us a tiny

part of what we need, but we have not dealt with the real problem of campaign finance.

259 SEN. OTTO: Agrees with Sen. Bunn's suggestion that a portion of the bill apply to the Senate and a portion apply to the House. -Thinks the basic bill is constitutional. -Moves to amend Chair Miller's motion to amend HB 2490 by retaining only the prohibition on pass-throughs by incorporating SB 700 into HB 2490.

274 REP. BRIAN: What happens to tax credits under SB 700?

279 SEN. BUNN: It does not deal specifically with the tax credits. -Reviews the provisions of SB 700.

308 REP. BRIAN: Would that be dollar for dollar out of that fund or would that be a liability on the general fund?

311 SEN. BUNN: There would be no general fund dollars. -Explains how the financing system would work under SB 700.

333 REP. BRIAN: SB 700 does not affect tax credits at all?

334 SEN. BUNN: Correct.

335 REP. BRIAN: It does not affect the general fund at all?

338 SEN. BUNN: It does not allocate general funds, it does impact revenue. -It directs one dollar of your tax money to the fund.

346 SEN. KERANS: It is a tax expenditure that the people direct one at a time.

354 CHAIR MILLER: You are depriving the general fund of a dollar of money owed to the State of Oregon.

361 SEN. KERANS: It also allows the candidate to go out and using the tax credit, get small contributions to match against this fund.

370 SEN. BUNN: That is correct. The bill has gone through Senate revenue and it is estimated there will be 535,000 one dollar checks on tax returns, based on the number of Oregonians participating in the federal program as well as how other states have done. -The fiscal impact was about \$14,000 of administration and Secretary of State's costs.

384 CHAIR MILLER: Are there different ways you treat the primary and the general elections?

386 SEN. BUNN: This only deals with the general election. There are more variables in a primary election where you may have six candidates. -Suggests it be tried in the Senate and find out in the next four to six years if it will work.

404 CHAIR MILLER: Speaking for myself and the taxpayers in my district, I am not sure they will understand the distinction of using one body for a guinea pig, where they will be unwillingly participating with their tax dollars.

412 SEN. BUNN: Any individual that does not want to participate simply does not check.

413 CHAIR MILLER: But to the extent that state funds are diminished by virtue of the checkoff, there is an impact.

418 SEN. BUNN: That is true, but the level of Oregonians that desire to see this happen is reflected by the level of their checkoffs. -Last session we sent the bill over with both houses included, and it was felt that possibly by narrowing it and cutting down the risk

TAPE 2, SIDE A

010 SEN. KERANS: You do not have to join in the party, all you have to do is let the people of their own free will make a little "X" in a box saying they are directing a dollar of their taxes to this funds.

015 CHAIR MILLER: But you are at the same time restricting, in my view unconstitutionally, those from going beyond because of the chilling effect of not participating.

018 SEN. BUNN: That is one of the differences between a number of versions we had seen of SB 700 . -Support of the public for a matching fund is there. -There is no penalty anywhere except for the individual who takes those funds and uses them contrary to the provisions of the law.

033 REP. BRIAN: Didn't we in the last four years have a checkoff for political parties?

039 SEN. BUNN: That is not the same program. That is someone taking a portion of their tax refund and designating it to go to a certain purpose. This is taking a portion of your tax dollar and designating where it will go.

046 CHAIR MILLER: We might be a little ill at ease adopting this on behalf of the House which was not very impressed with the measure.

053 SEN. BUNN: I believe if you and Rep. Markham supported it, there would be 29 people to join you.

061 MOTION:SEN. KERANS moves a substitute motion which would encompass the program envisioned under SB 700 with the prohibition on pass-throughs as found in both versions of HB 2490.

073 VOTE:In a roll call vote, the motion failed, with Sen. Bunn, Sen. Kerans, Sen. Otto and Rep. Brian voting AYE. Rep. Markham and Rep. Miller voting NAY. Sen. Springer was excused.

084 MOTION:CHAIR MILLER moves the adoption of the HB 2490 language that deals with the prohibition on pass-throughs.

088 SEN. KERANS: I am committed to a comprehensive change in the way in which democracy is arrived at in this state, that is who gets to be in charge of the democracy. I think the 1% applies as Sen. Bunn says and I would not support that. -Let us address the issue comprehensively rather than have some small little thing done and think by making that change we have held out some hope to the public that there has been some programatic change when there has not been.

097 SEN. OTTO: That is my position too.

102 CHAIR MILLER: I am confident that there will be an initiative on this subject which will incorporate some limits, a discussion of the repeal of the tax credits, and also propose the elimination of the pass-through. -I am on the side of enhancing disclosure as soon as we can possibly do it and not waiting on the iffy outcome of a ballot measure.

120 VOTE:In a roll call vote, the motion failed, with Rep. Brian, Rep. Markham and Rep. Miller voting AYE. Sen. Bunn, Sen. Kerans, and Sen. Otto voting NAY. Sen.

Springer was excused.

134 CHAIR MILLER: Adjourns the meeting at 3:45 p.m.

Submitted by: Reviewed by:

Carolyn Cobb Randall Jones Assistant Administrator