

February 9, 1979

The hearing convened at 9:05 a.m., with Chairman Brand presiding - roll call was taken with all members present.

HB 484-Sponsored by Rep. Siefert -- He submitted written testimony, see Attachment #1, but added some statements also. I believe that a person running for office should be aggressive enough to go out and raise his own money.

JANELLE FALLON-Montana Chamber of Commerce -- She submitted written testimony, see Attachment #1A.

KEN DUNHAM-Director of Montana Republican Party -- He submitted written testimony, see Attachment #1B.

REP. JAY FABREGA -- Once I owe the tax it isn't my money and I don't think you should be able to give away anything that belongs to the government. We aren't allowed to say that our money goes to schools or anything else -- it puts the bureaucracy into the business of electing their bosses. The idea of giving away something that isn't yours is offensive to me. There is a bill being considered where you can check off part of your tax refund but you are putting the government into the accounting business.

JOHN BELL-representing himself -- I firmly believe that it is contrary to the 1975 Constitution, Article 5, Section 11. The tax money is given to the candidates after the primary. In the federal law they get it before the primary.

AZZARA-I don't understand your reluctance to allow people to check off money that is no longer theirs on a voluntary basis. FABREGA-The tax liability has been determined and it isn't theirs. If you want this money then make an appropriation. Only 20% of the people participated in this and I think they agreed with me. Suppose everybody checks off, you will have to increase the tax to cover the reduced revenue so that it would not be an even contribution. PISTORIA-This might go to a candidate you don't even vote for. FABREGA-You are giving \$.50 to your candidate and \$.50 to his opponent. JOHNSTON-Doesn't this take money away from other needed services? FABREGA-Exactly my point. We establish a tax necessary to cover the operations of government and with this there is an impact on the rest and eventually there would be an impact on all the rest. AZZARA-You agree that it is a desirable objective to prevent candidates from being bought in an election? That the objective of this is to equalize the monetary gains between candidates? FABREGA-Yes, but all you have done is add more money to already well financed campaigns. We have seen where money doesn't make that much difference. If you believe that public financing is necessary then let us make that decision and make an appropriation. AZZARA-But if people don't want to have a dollar taken out then I doubt we could get such an appropriation. BRAND-Don't you think it would be unconstitutional to make people pay in an appropriation? FABREGA-I think it would be questionable but not necessarily unconstitutional.

OPponents

MAGGIE DAVIS-League of Women Voters -- She submitted written testimony which can

(DAVIS continued)-be viewed in Attachment #2, but added additional statements. In '76, we submitted the bill about this, which passed easily in both houses. It asked for an ad hoc committee. We don't think this money should be doled out with no consideration. It is a voluntary program and I would agree with those who have said that 20% is a remarkably high percentage. There should be a system that encourages as many small contributions as possible. We believe that people know full well that when they do check-off that they don't know where it will go. We feel that Montanans are interested enough. We urge DO PASS.

BRAND-Paul Richards called in behalf of Common Cause to oppose this, he couldn't attend the hearing because he was attacked downtown last night and is rather seriously hurt.

SIEFERT-I don't believe in the concept and I think if we are going to have public financing of campaigns it shouldn't come out of tax money.

STAIGMILLER-If it doesn't affect the tax then where does it come from? SIEFERT-If that money was not reverted to the fund where it is now it would go into our tax structure. STAIGMILLER-Then where does it come from? DAVIS-It comes from the General Fund. AZZARA-The process of appropriation is a process of discrimination and public campaign financing allows the citizen to do that directly and it suggests that it doesn't benefit the majority is saying that the appropriations we pass up here don't benefit the majority. SIEFERT-I don't know how to answer you. If 20% are doing it then everybody should be doing it. AZZARA-Then why should we appropriate money to fix roads in some county that doesn't benefit everybody? I think it is inconsistent to suddenly claim that this is unfair. DAVIS-We think people are fully aware that they can't direct what candidate the money goes to and that they feel that they are participating. JOHNSTON-This just allows for that much more money to be spent. So this magnifies the money spent. DAVIS-The Legislature can decide that there would be some way to control the upward limits on campaign spending. It has only been used once. DUNHAM-In '76, I received the check for \$65,000 that was given to the Republican candidate, and we endorsed that over to the Woodahl campaign. All it did was raise the level of spending in both campaigns and it put the other campaigns in the state at a distinct disadvantage. AZZARA-It probably wouldn't make any sense to do public campaign financing unless a ceiling was placed, but I'm very concerned about the presence of media becoming such a determining factor in campaigns. What are your concerns with the media trend? DUNHAM-We have a situation where money is a form of free speech in this country and they don't have to go that way, they can go door-to-door and not spend a dime. AZZARA-I'm speaking of lopsided corporate donations, which constrict freedom because it isn't something that everyone can get. DUNHAM-You make reference to corporate contributions, we have a strong public disclosure law here and it is there for anyone to see. BRAND-Under this program, if you take this off you will have contributions of huge amounts; and don't you think passing this would result in huge aggregate contributions? SIEFERT-I have had 7 contributions in 5 sessions, and I don't feel that I come up here being expected to represent my contributors.

HB 350-Sponsored by Rep. Vincent -- This is relatively simple and straight forward, and the fiscal note is \$150. It adopts a code of fair campaign practices and all candidates are given the option to subscribe to it. It gives standards of fair play. If we are realistic, there have been campaigns in the state where abuses

(VINCENT continued)-such as these have occurred. The Campaign Commissioner's office did receive several complaints from candidates who believed that they had been vilified or generally been opposed unfairly. There were several from both parties. I don't know that this bill will handle those. Section 2 provides for the signing of it and Section 3 gives public affirmation that the candidate adheres to the Code. Page 3 - the candidate is given the option to sign and if he doesn't there's no violation of election laws. It also says that the Commissioner shall publish the Code and those who subscribe so this is the only enforcement clause. It is so voluntary as to almost be a resolution. This is no final solution but I think it would give candidates a manner to deal with this. I was asked to put a strict enforcement provision in this and declined. I think we should try it voluntarily and see how it works. The bill was introduced in '77 and passed the House but was defeated in the Senate.

NO OPPONENTS

DONALDSON-There is something on the federal level isn't there? VINCENT-The federal law is more tightly drawn. Both candidates in the senatorial races went into arbitration and are still in the Appeals Courts. I would hope that if this became law that candidates would be discouraged from engaging in unfair tactics. There is other legislation coming regarding last minute ratso things in a campaign. I would think the title could be expanded to include committees.

FEDA-I agree with the philosophy, but I wonder what it will do. It has been established that you can't statutorily stipulate what people can and can't do; so the question before you is whether nothing is better than this. MAGONE-Don't you think this taking an oath binds one more than not taking one? VINCENT-I think this may help.

HJR 19-Sponsored by Rep. Teague -- This brings attention to the fact that the Mexican-American population growing in the state, particularly in Yellowstone County and we are calling on DCA to help us.

ROBERTO FEDERICO-representing himself --- He submitted various letters and newspaper articles relative to the problems of Mexican-Americans, see Attachments #3, 4, 5, 6, 7, and 8. This asks for no money.

RON GARCIA-Migrant Farm Workers -- He spoke on the problems of Mexican-Americans and added that there were no proper structures for keeping statistics on Mexican-Americans. He also submitted a letter from Augustine Lopez, Chairman, Montana Migrant Council, see Attachment #9.

ESTHER PERALEZ HOFFMAN-representing herself -- We need affirmative action programs like those enacted for Blacks and Native Americans. We are considered Native Americans or Caucasians, there are no cultural definitions for us in statistics -- so no statistics are kept on Mexican-Americans or study programs for us. There are no collateral language courses for us at universities. There are no statistics on which to base need.

FEDERICO-The accelerated growth of Mexican-Americans in Montana continues to increase. Yellowstone County received an influx of 10,000 Mexican-Americans at one point in the year; but we don't have hard facts that we need to communicate

(FEDERICO continued)-the problems of these people. We feel we are a neglected minority. The projected unemployment rate for whites and non-whites from Manpower shows that 5.8% non-whites and 7.3% Spanish surnames will be unemployed. But some Spanish surnames aren't immediately recognizable. When a Mexican-American is arrested, they are listed as Mexican-American but when they are booked, they are listed as Caucasians - so we can't get impact figures on communities. So, we encourage DCA to take on this study.

MARLENE Z. KAISER-Montanan's in Action for People -- DCA already has a Human Services group, so they can do things to help these people.

TEAGUE-Myself and Rep. Dozier feel this would be valuable information, and urge your support.

EXECUTIVE SESSION

HJR 19-O'CONNELL moved DO PASS, which carried unanimously.

HB 350-O'CONNELL moved DO PASS.

FEDA-I wonder what good this will do? KROPP-If there's no penalty clause, I don't see what good it does.

On a roll call vote on the motion of DO PASS, the motion carried 13 - 6.

HB 484-SALES moved DO PASS.

AZZARA made a substitute motion of DO NOT PASS.

AZZARA-He based this on the fact that we were forcing people to give money they no longer have title to and that is not the case -- this is a personal prerogative; on the basis of his philosophy, then every appropriation bill we pass is unfair. FEDA-At this rate, we will soon be financing all campaigns. BARDANOUVE-I have to disagree because you are limiting it to the wealthy. The price tag will become so high that candidates can't finance campaigns without accepting money from the rich. I think we are placing ourselves in a very difficult position if we don't get political campaigns out of the special interest area. PORTER-Jim's logic is infallible and I would only buy it for that reason, but all this does is provide relief for the middleclass. If you have large sums of money spent you have an overexposure of politicians -- people lose their interest because they get so sick of us. I think there's a great risk of alienating the population through overexposure. BARDANOUVE-This doesn't place a limit on the spending but if you have a rich candidate who gets all of the contributions, at least this lets the other guy get some. BRAND-I agree with Francis that this spreads the money out and you can go into office with an open mind without having restraints from special interest. AZZARA-This doesn't hurt anyone and helps those who couldn't get the money otherwise. This tries to equalize the exchange of ideas without bringing money into it. KANDUCH-Then I want to see a limit on spending. We haven't helped anyone until we put a limit on it.

AZZARA's DO NOT PASS motion failed on a roll call vote 7 - 12.

Due to the failure of the DO NOT PASS motion, the committee reverted to SALES' original motion of DO PASS, and JOHNSTON moved to reverse the vote, which carried.

Adjourned: 10:45 a.m.


Joe Brand, Chairman


Nita Sierke, Secretary