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April 2, 2007

TO: Assemblywoman and Chair Ellen Koivisto, and Committee Members, Assembly Committee on Elections, Procedures, Ethics and Constitutional Amendments

Fax 1-775-684-8893

FROM: Dr. Craig Walton, President, and Members, Nevada Center for Public Ethics  
Fax 1-702-395-2876

**Subject: Testimony in support of AB 312, with suggested amendments**

Dear Chairwoman Koivisto and Members:

Here is the testimony we plan to present Tuesday, April 3<sup>rd</sup>, at the hearing for AB 312 – unless previous testimony requires changes.

My name is Craig Walton and I speak on behalf of the Nevada Center for Public Ethics. We have sought campaign disclosure improvements for some time, and welcome AB 312 as helpful step in the right direction.

**I. Gifts:** Section 1 provides the first definition of “gifts” within NRS 281, and is long overdue. It seems to us carefully drafted.

**II. ‘Actual’:** Section 6, page 6, line 9, inserting the word ‘actual’ may not be needed, since frivolous or baseless ethics complaints are already being screened by the new, 2-commissioner panel process. This insertion might just suggest a “can of worms” no one wants to open (‘how define ‘actual’?’)

**III. Hypotheticals:** Section 6, pg. 6, lines 16-20 insert permission for the NCOE to include hypothetical examples in an opinion. In 2005 one legislator objected to the use of hypothetical examples. However, I know from over 40 years of teaching ethics in the United States, the United Kingdom and Germany, that hypothetical cases enrich the teaching of moral reasoning skills. But it does seem to be covered by the current statute at NRS 281.471.6 (a).

Assembly committee: EPE & CA

Exhibit J P. 1 of 4 Date 04/03/2007

Submitted by: Craig Walton

AB 312, Suggested Amendments from Nevada Center for Public Ethics:

**IV. Disclosure, Missing Details:**

At Sec. 21, p. 11, subsection (b), lines 24 - 27, this portion of the Financial Disclosure provisions is widely known to lack important details. We would like to suggest that greater detail be required here (that is, at NRS 281.571.1 (f)). The details we ask Nevada to include are:

[1] For *businesses* where one is employed: one's job title with the entity if applicable, a description of what that employer does in that business, and the value range or income amount received, to include salary, bonuses, shares of stock, etc.;

[2] For *officers or directors* of businesses or non-profit entities involving compensation, specific information as to one's duty or role as an officer or director, to include salary, bonuses, shares of stock, etc.; and the same for one's spouse if applicable;

[3] For *investment* entities, a description of the entity's activity, and the value of the investment;

[4] For *clients* of self or spouse, information on the value or range of value of the services provided;

[5] For *all organizational leadership positions* outside of one's public office, those positions should be listed; and, finally,

[6] For *all entries*, the State of Nevada should (a) be given auditing authority over these forms, (b) should routinely review these forms for accuracy, and (c) should publish a list of delinquent filers.

AB 312, Suggested Amendments from Nevada Center for Public Ethics:

**V. More timely Reporting Deadlines, and early voting:**

For non-election years, we suggest that NRS 281.561.1 (b), be amended so that campaign financial disclosure statements would be filed **quarterly**, instead of the current once-per-year filing. Those officers listed in NRS 294A.300, who may not accept contributions during and in the immediate periods before and after a legislative session, should report contributions and expenditures made up to *30 days prior* to the legislative session, and again beginning the third calendar quarter of that year.

For election years, we suggest that the financial disclosure statements be filed **monthly in election years**, with due dates so that reports would be due at least two weeks *prior to the start of early voting* for primary and general election dates (instead of the current rule for 7 days prior to a primary or general election + a final report Jan. 15<sup>th</sup> of the year after the ca

We suggest NRS 281.559-581, "Financial Disclosure Statement", be amended at 281.561. 1.(a) as follows: ADD " and no later than 7 days prior *to the start of early voting* in a primary or general election; and..." The reason for this is that we are now forced to choose between early voting without knowing who gave what monies to whom, or, give up on early voting in order to get that disclosure information. In late March, 3 candidates in a Las Vegas city election offered to disclose before early voting, except that none did it because each saw a disadvantage in disclosing when one's opponents did not have to do so.

We also suggest that NRS 281.561.1 (b), be amended so that campaign financial disclosure statements would be filed **quarterly** for non-election years, instead of the current once-per-year filing. Those officers listed in NRS 294A.300, who may not accept contributions during and in the immediate periods before and after a legislative session, must report contributions and expenditures made up to 30 days prior to the legislative session, and again beginning the third calendar quarter of that year.

Also at 281.561.1 (b), we suggest that the financial disclosure statements be filed **monthly in election years**, with due dates so that reports would be due at least two weeks prior to the start of early voting for primary and general election dates (instead of the current rule for 7 days prior to a primary or general election + a final report Jan. 15<sup>th</sup> of the year after the campaign).

AB 312, Suggested Amendments from Nevada Center for Public Ethics:

**VI. Details of financial disclosure forms:**

Finally, we also suggest that greater detail be required at 281.571.1 (f), which currently requires listing a person's involvement with business entities such as trustee, director, officer, etc. Each of the following details is used nationally and all states' coverage of these financial relationships is followed routinely by the Center for Public Integrity. In October of 2006, Nevada rated an "F" compared to other states, for lack of these kinds of information. The detail we ask Nevada to include is:

**for businesses** where one is employed: one's job title with the entity if applicable, a description of what that employer does in that business, and the value range or income amount received;

**for officers or directors** of business or non-profit entities involving compensation, specific information as to one's duty or role as officer or director, the same for one's spouse if applicable;

**for investment entities**, a description of the entity's activity, and the value of the investment'

**For clients** of self or spouse, information on the value or range of value of the services provided;

**For all organizational leadership positions** outside of one's public office, those positions should be listed; and, finally,

**for all entries**, the State of Nevada should be given auditing authority over these forms, should routinely review these forms for accuracy, and should publish a list of delinquent filers.

AB 312, dealing with campaign disclosure, seems the ideal bill into which to include these needed improvements in the financial disclosure provisions of NRS 281. We request that they be added in to the bill draft.

Thank you for your consideration.

Respectfully,

Craig Walton for NCPE