

## Assembly

Election Committee Minutes  
February 25, 1975

Tuesday, 8:00  
Room 336

## Members Present:

Demers  
Sena  
Chaney  
Heaney

Vergiels  
Wagner  
Young

## Members Absent

None

## Guests

Sue Wagner  
Steve Coulter  
Lou Paley  
William Swackhammer  
Donald Klasic

## Representing

Assemblyman (A.B. 32 & 84)  
Assemblyman (A.B. 32 & 72)  
Nevada State, AFL & CIO  
Secretary of State  
Deputy Attorney General

The meeting was called to order at 8:10 a.m. which formed into a sub-committee of two persons, Mr. Demers and Mr. Young.

Mr. Klasic testified on A.B. 32 and 72 and he felt they were very much the same.

By 8:15 a.m. all members were present and the meeting began.

Mr. Klasic felt that the courts would not want to handle misdemeanors. The problem would be with the District Attorney's not taking cases. He felt we should have civil penalties such as California. Also the monies for filing should be placed in the State treasury.

Mr. Demers stated that in Montana there was a good law in that if an elector fails to file with the County Clerk, he cannot certify that he was elected.

Mr. Klasic stated that in New Jersey, it is voided completely unless the candidate files.

Mrs. Wagner testified on her bill no. 32 and she also stated that she had consulted with Mr. Klasic before today's testimony. Mrs. Wagner stated that she had a campaign questionnaire and the persons that answered the questionnaire overwhelmingly agreed that persons running for office should report their campaign expenses. Mrs. Wagner felt that candidates should report not twice but four times during the campaign. She felt this would put elected officials on record as wanting an open government. Mrs. Wagner also agreed with Mr. Klasic's statements. Mrs. Wagner cited that she had spent 5 hours in the Secretary of State's office ascertaining campaign expenses. She felt these expenses should be set up uniformly on a form and they should be available to the press and the public.

Steve Coulter testified on A.B. 52 and 72. He felt that it is important for voters to know before they go to the polls how much a candidate has spent on an election. In Mr. Coulter's bill, it asks the candidate to state how much money they used on TV or promotional ads. He stated he was not concerned about the penalties imposed. He felt it was not necessary to file more than 2 times.

Mr. Vergiels felt that some of the language in the bill should be "cleaned up" so that it is more understandable. Mr. Coulter agreed.

Mr. Chaney stated he would like to see some of these bills combined. Mr. Demers said they would be combined; as they were also talking about 72.

Mr. Paley stated that the same appears in A.B. 32 and 52.

Mr. Demers stated one of the problems is that interested groups will spend money on a candidate without the candidate's knowledge. You cannot report something that someone else has done for you. Mr. Paley said that the law makes the candidate report the name of the contributor.

Mr. Ashworth, Speaker stated from the floor that maybe the contributor should report his contributions.

Mr. Vergiels felt this could be very complicated and he felt that knowledge of the candidate is the best way.

Mr. Swackhammer wanted to know how long records must be kept in his office on campaign expenses. His other questions were: Does a person who runs unopposed have to file an affidavit? How do you report expenses that run over into another campaign i.e. primary into general election. Is the media constitutional? He felt that if many duties were passed to the Secretary of State's office, he would have to ask for additional help.

Mr. Klasic felt it was wrong for a candidate to spend far in excess of the salary he would receive if elected to that office. Mr. Swackhammer stated that he did not have the help to tell everyone what everyone else had spent.

Mr. Heaney asked Mr. Swackhammer if he would mind being designated as a rule maker. Mr. Swackhammer stated that he would not mind. Mr. Swackhammer stated it should be written into law as to the length of time his office kept reports. Mr. Swackhammer stated that the law required that we use a form but the position they took in the office was that whatever came in, was filed. If these reports are to be monitored, you should state so and give us extra help.

Mr. Young asked Mr. Swackhammer how much help would they need and

Mr. Swackhammer stated he would only need part-time help.

Next to be discussed was A.B. 84 which limits campaign expenses. Primarily this bill reduces campaign expenses. A senator may now only spend \$20,000 and an assemblyman may spend only \$10,000 which is a combination of a primary and general election.

Mr. Ashworth stated that the recent campaign was a very conservative campaign. Mr. Chaney felt that the next campaign that comes up will be a lot higher.

Mr. Heaney felt candidates should not win necessarily because they can outspend their opponent; in other words this would preclude a candidate from buying himself into office. Mr. Vergiels felt the problem would be limiting candidates spending in large districts as opposed to smaller districts. However, it was pointed out that this is not the case for candidates in large districts did not (by Mrs. Wagners report) spend an excessive amount of money.

It was decided that you would have to report all money that was spent on you including organizations that decided to support you.

Mr. Swackhammer pointed out that this money can sometimes be a detriment to a candidate, for an organization can decide to defeat a candidate with his own money.

Mr. Coulter felt that by lowering the amount of campaign money, it would force some of the people out. However, Mr. Coulter stated he did support Mrs. Wagner's bill.

The Committee adjourned at 9:22 a.m. with Chairman Demers calling a second meeting on the same day (February 25) from 12:30 to 1:30 in order to discuss more bills.

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The second meeting was called to order at 12:40 with all the members present except Mr. Young who had an excused absence from Chairman Demers.

A. B. 84 - Mrs. Wagner made the motion to pass A. B. 84. The motion was seconded by Mr. Vergiels. All members present (6) voted to pass the bill as amended.

A. B. 18 - Mr. Demers made the motion to pass A. B. 18. The motion was seconded by Mr. Sena. All members present voted "aye" except Mrs. Wagner who voted "no". The bill was passed as amended.

A. B. 32 - Mr. Vergiels made the motion to pass A. B. 32. The motion was seconded by Mr. Heaney. All members present (6) voted to pass the bill as amended.

The remaining bills, A.B. 87 and A.J.R. 4 will be discussed next week. A.B. 52 and A.B. 72 will be held by the Chairman. A.B. 18, 32 and 18 were sent to the bill drafters for the amendments.

The meeting adjourned at 1:55 p.m.

Respectfully submitted,



Martha Laffel  
Assembly Attache

Attachments:

3 Ltrs fr. Clark Co AB 87; AJR 4; AB 32; AB 52; AB 72; AB 33; AB 18  
Central Committee  
75-2 Campaign Finances &  
Financial Disclosure-5 pgs

## AGENDA FOR COMMITTEE ON ELECTIONS.....

Date.....Feb.....25.....1975.....Time.....8:00.....Room.....336.....

Bills or Resolutions to be considered	Subject	Counsel requested*
A. B. 32	Increases number of required reports of legislative campaign expenses.	
A. B. 52	Requires reports of campaign expenses of candidates for statewide offices.	
A.B. 72	Increases number of required reports of legislative campaign expenses and requires reporting of expenses contracted for during reporting period.	
A.B. 84	Sets limit on legislative campaign expenses for primary and general election periods combined.	

\*Please do not ask for counsel unless necessary.

# ASSEMBLY

## AGENDA FOR COMMITTEE ON..... ELECTIONS.....

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Date Feb 25, 1975 Time 12:30-1:30 Room 336

Bills or Resolutions to be considered	Subject	Counsel requested*
A.B. 18	Provides for automatic recount following close election for state or federal office.	
A.B. 32	Increases number of required reports of legislative campaign expenses.	
A.B. 52	Requires reports of campaign expenses of candidates for statewide offices.	
A.B. 72	Increases number of required reports of legislative campaign expenses and requires reporting of expenses contracted for during reporting period.	
A.B. 84	Sets limit on legislative campaign expenses for primary and general election periods combined.	
A.B. 87	Clarifies requirements for recall of public officers	
A.J.R. 4	Proposes to amend Nevada constitution to clarify requirements for recall of public officers.	

\*Please do not ask for counsel unless necessary.



Clark County Democratic Central Committee

MARGUERITE C. SEGRETTI  
CHAIRMAN

LAS VEGAS, NEVADA

RUTH J. DAY  
SECRETARY

February 20, 1975

Daniel J. Demers, Chairman  
Committee on Elections  
Nevada State Assembly  
Carson City, NV 89701

Dear Assemblyman Demers,

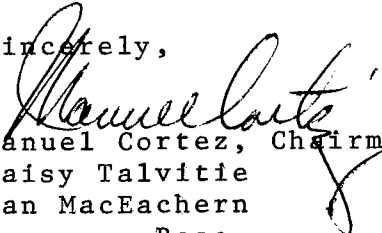
The Legislative Action Committee of the Clark County Democratic Central Committee cannot endorse Ab 87 if it includes the words "statewide General election.' This can only add to the existing problems.

We would recommend the recall be based on the last election for the office to be recalled. If a city office is involved, recall should be based on votes cast in the last city election for that office, etc.

The Committee also recommends that wording of the same intent be substituted in AJR 4.

Thank you for your consideration.

Sincerely,

  
Manuel Cortez, Chairman  
Daisy Talvitie  
Jan MacEachern  
Rosemary Rose  
D.P. "Dave" Curtis  
Ruth Manes  
Ann Zorn  
Robert "Bob" Coffin



# Clark County Democratic Central Committee

MARGUERITE C. SEGRETTE  
CHAIRMAN

LAS VEGAS, NEVADA

55  
RUTH J. DAY  
SECRETARY

February 20, 1975

Daniel J. Demers, Chairman  
Committee on Elections  
Nevada State Assembly  
Carson City, NV 89701

Dear Assemblyman Demers,

The Legislative Action Committee of the Clark County Democratic Central Committee fully endorses AB 32, AB 52, and AB 72.

The Committee also endorses AB 33 with the recommendation that the language be changed to be in accord with Federal law. Further, to require all contributions of over \$100.00 be reported and to include the donor's name.

Thank you for your consideration.

Sincerely,

Manuel Cortez, Chairman  
Daisy Talvitie  
Jan MacEachern  
Rosemary Rose  
D.P. "Dave" Curtis  
Ruth Manes  
Ann Zorn  
Robert "Bob" Coffin





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## Clark County Democratic Central Committee

MARGUERITE C. SEGRETTI  
CHAIRMAN

LAS VEGAS, NEVADA

RUTH J. DAY  
SECRETARY

February 20, 1975

Daniel J. Demers, Chairman  
Committee on Elections  
Nevada State Assembly  
Carson City, NV 89701

Dear Assemblyman Demers,

The Legislative Action Committee of the Clark County Democratic Central Committee approves the principle of AB 18, which provided for an automatic recount following a close election (less than 1%) for State or Federal office.

The Committee has no objections to providing for payment from the Reserve for Contingency Fund.

Thank you for your consideration.

Sincerely,

Manuel Cortez, Chairman  
Daisy Talvitie  
Jan MacEarchern  
Rosemary Rose  
D.P. "Dave" Curtis  
Ruth Manes  
Ann Zorn  
Robert "Bob" Coffin

NEVADA LEGISLATIVE COUNSEL BUREAU  
OFFICE OF RESEARCH BACKGROUND PAPER

1975 No. 2

CAMPAIGN FINANCE AND FINANCIAL DISCLOSURE

I

There can be little doubt that all the various practices, malpractices, indiscretions and outright illegalities that have come to be subsumed under the single word "Watergate" have been responsible for a heightened public awareness of the political process. With this awareness have come demands for the protection of the integrity of the process. In 1973, all state legislatures met. Sixteen enacted political reform legislation. In 1974, 31 state legislatures met and 21 enacted political reform legislation. In addition, the voters in Washington state in 1973 and California and Colorado in 1974 enacted stringent campaign finance and political ethics laws by the initiative process.

The Nevada legislature in 1973 enacted regulation of expenditures for legislative campaigns and registration of lobbyists. The question now is what else should be done in the areas of campaign finance and conflicts of interest. The extent to which campaign contributions and expenditures should be regulated and conflicts of interest controlled is a philosophic question. The purpose here is to set forth the options available in each case and, where appropriate, to show the effects of options.

II

Taking campaign finance first, there are several options and combinations that can be perceived in an ascending order of stringency as follows:

1. No controls on sources or amounts of contributions or on expenditures.
2. Limitations on just contributions or just expenditures on all elected offices or just some. (This is the situation in Nevada where expenditures of legislative candidates only are limited and must be reported.)

3. Reporting of all contributions and expenditures for all elective offices to the appropriate election official.
4. Reporting as in 3 above with dates before which spending and/or contributions cannot commence.
5. Reporting as in 3 above combined with dollar ceilings on expenditures for each office and for each election.
6. Reporting as in 3 above combined with a spending limit per capita based upon registered voters of your party for a primary and total registered voters for a general election.
7. In combination with 3, 4, 5 or 6, a limitation on the amount that can be contributed by any single individual or group for any one office, usually limiting cash contributions to \$50 or \$100.

Advocates of campaign finance reform divide over whether it is adequate to insure that the public knows who supports whom and in what amounts, or whether it is necessary to go beyond insuring that the information is available and set contribution ceilings in addition. It can be argued that if reporting is adequate, the burden of explanation for proportionately large contributions rests with the candidate and it is up to the people to determine the adequacy of the explanation. The counter argument would pose the situation of opposing candidates, both heavily supported by special interests. The people might know, but have no real choice. The only answer to this would be to set individual contribution ceilings.

Another aspect of campaign finance is controlling the sources of contributions. Connecticut limits contributions to "natural" persons which prevents contributions by corporations, unions or any other type of group or committee.

There are a number of refinements to be considered in conjunction with the listed options. It must be decided if such laws will apply to primaries, ballot propositions, constitutional amendments, recalls, referenda and initiatives as well as to general elections. Should "contributions" include anything of value as well as money? Should penalties include the possibility of denial of office to a winner if the law is broken?

## III

Virtually any conflict of interest provision, to be effective, must include some form of financial disclosure for officeholders and officeseekers. Disclosure is a more complex field than campaign finance and certainly more controversial because of its potential for infringing on basic rights. There seem to be three questions on disclosure:

1. Who shall be subject to disclosure?
2. What types of things must be disclosed?
3. What amounts or values shall be subject to disclosure?

Again, using an ascending order of stringency, several possibilities arise:

1. No requirement for any disclosure by any official (the situation under current Nevada law).
2. Disclosure of primary source of income of elected officials only.
3. Same as 2 but including appointive officeholders and other employees in a position to make decisions that could materially affect others outside of government.
4. Disclosure of all sources of income over a certain figure, such as \$1,000 per year for the official, the spouse and dependent children.
5. Same as 4 above but to include all real estate interests with a value above a certain figure, such as \$2,500.
6. Same as 4 and 5 above but to include all assets producing a capital gain in 1 year of a certain amount, such as \$5,000.
7. Under 4, 5 or 6, exact amounts can be required or simply disclosing if a source is over a threshold but not the actual amount of it.

The Interim Subcommittee on Counsel Bureau Organization and Legislative Procedures recommended that such a law apply to all state and local public officials in all branches of government.

Further, it recommended that all offices, directorships and salaried employment be reported, that all financial interests over \$1,000 be reported and that all financial interests related to dealings with the state be reported.

The balancing between the public's right to know of potential conflicts of interest and a business or professional person's legitimate need to maintain a certain degree of privacy is difficult to achieve. The Committee on Legislative Ethics and Campaign Financing of the National Legislative Conference sets forth four basic considerations on disclosure laws. They should not require the amount of a public official's income to be disclosed. They should not require the specific amount or the specific name of financial interests to be disclosed. They should require the names of financial assets. They should require the names of clients whenever state business is involved.

The term "public officials" does not distinguish between elected or appointed. A number of appointed officials and even employees make decisions that could have a great effect on financial interests. At the local level, planning and zoning boards are examples of this. Regulatory and licensing boards and commissions have such powers at the state level. Governing bodies at the local level and the governor for the state executive branch could be made responsible for identifying which appointees and employees should have to comply with disclosure requirements.

#### IV.

Almost any option of any impact in campaign finance or disclosure raises the question of oversight, enforcement and decision as to what is or isn't a conflict of interest. Minimum reporting of campaign finances will require at least an increase in the secretary of state's staff and in his power to compel compliance and bring actions for noncompliance. Disclosure requirements raise other problems. In every state presently requiring disclosure, an independent committee or commission is established to oversee and enforce the law. In some states, they receive disclosure statements and render opinions on whether conflicts of interest exist. The feeling seems to be that if the reporting and disclosure process is to be credible, it must be in the hands of an independent body, usually composed of political elder statesmen and distinguished citizens. The only alternative is to place it in the hands of an existing office or department all of which are political or responsible to an elected official.

Suggested Reading  
(Available in the Research Library)

- Citizen's Research Foundation: "State Statutes Regulating Political Finance," Princeton, New Jersey, 1974.
- Council of State Governments; "Guidelines for State Legislation on Government Ethics and Campaign Financing," Lexington, Kentucky, 1974.
- Rhodes, Robert M.; "Enforcement of Legislative Ethics: Conflict Within the Conflict of Interest Laws" Harvard Journal on Legislation, Cambridge, Massachusetts, April 1973.
- Rosenthal, Albert J; "Campaign Financing and the Constitution," Ibid, March 1972.

APG/jd