

Senate Election Law and Internal Affairs Committee

Tricia Melillo 271-3093

SB 440-FN, relative to prohibited political contributions.

Hearing Date: January 23, 2018

Time Opened: 9:01 a.m.

Time Closed: 9:17 a.m.

Members of the Committee Present: Senators Birdsell, Gray and Soucy

Members of the Committee Absent : Senators Woodburn and Sanborn

Bill Analysis: This bill establishes a prohibition on receiving contributions in violation of the law relative to prohibited political contributions.

Sponsors:

Sen. Lasky

Sen. Cavanaugh

Sen. D'Allesandro

Sen. Fuller Clark

Sen. Hennessey

Sen. Reagan

Sen. Soucy

Sen. Watters

Sen. Woodburn

Who supports the bill: Senator Bette Lasky, Senator Fuller Clark, Senator David Watters, Liz Tentarelli League of Women Voters NH, Mary Till, Olivia Zink Open Democracy, Kyri Claflin, Melissa Hinebauch, Kathy Cahill, Elizabeth Corell, Sally Hatch, Deborah Bruss, Joseph Kwasnik, Denise Kwasnik, Gale Taylor, Marie Straiton, Janice Severance, Louise Spencer, Laura Aronson, Stephanie Kuligowski, Rick Bourdon Open Democracy, Ruth Heath, Ron Litalien, Ginny Litalien, Susan Covert

Who opposes the bill: None

Who is neutral on the bill: None

Summary of testimony presented in support:

Senator Bette Lasky:

- This bill is intended to close a loop hole in campaign finance laws that allow candidates to illegally accept and spend contributions in a primary campaign beyond the limits already established in state law without a penalty.
- The law is clear that you cannot spend general election funds in a primary.
- This bill enacts a penalty of up to \$1,000 per violation of campaign contribution limits and gives the attorney general the authority to impose the fine.

- Senator Gray asked what happens if you spend the money on palm cards that you are going to use for both primary and general elections, how do you divide it up.
 - You can use those funds for the general election. The problem is when you get money for the general and use it in the primary
- Senator Gray asked what if you have something that you only want to order once but need to use at both elections.
- Senator Soucy stated the issue is that you can accept up to \$7,000 per individual contribution. \$5,000 pre-filing, \$1,000 pre-primary and \$1,000 pre-general. The question is if you have taken \$7,000 you can only spend \$6,000 prior to the primary per the law. The last \$1,000 you can only use for the general election. You can spend \$6,000 for palm cards for the primary or general election, you just cannot use that last \$1000 before the general.
- Senator Soucy clarified that current law allows you to spend all but the last thousand until after the primary but this bill enacts a penalty which currently does not exist.
 - Exactly
- Senator Birdsell asked if we know anyone that has violated this.
 - Yes it was former mayor Ted Gatsas. He was investigated for this and they found him guilty of the violation. This is an outshoot of that.
- Senator Birdsell questioned that we have had one person violate this law and now everyone has to pay.
 - It does not matter how many people violate it. It has been in the law and needs to be enforced. Maybe it will keep others from the same violation.
- Senator Birdsell commented that she is concerned that some people who are not familiar with the law may not be able to afford this penalty.
 - Ignorance is no excuse.
- Senator Birdsell agreed.
- Senator Soucy – commented that this law currently exists. It will only apply to those that lose the primary. Right now if you accept \$7,000, \$1,000 of it should be set aside, that is current law. Should not cost anyone as long as they follow the law.
 - A fine says we mean business. There may be those willing to take the risk.
- Senator Birdsell commented that her concern is that we are trying to put something into statute that only one person violated and so far we have not seen anyone else.
 - The one person that violated it and the press that it got may cause others to come forward.

Olivia Zinc – Open Democracy

- All of the campaign finance laws on the books should be enforced.
- This adds some oversight to a current law that we have.
- This also adds a little bit of teeth to our law so that if violated can be fined.

- Believes it has been violated more than just the one case last year. Mostly in gubernatorial spending.
- Most people do not understand that this law of segmented funds exists.
- The Attorney General will determine the fine up to \$1,000. Currently they just have to give the money back. This will say, because you violated it you also have to pay a penalty to the state of NH.
- Senator Birdsell – Asked if this is \$7,000 from one contributor.
 - Yes. The case in the news there were multiple \$7,000 contributors which added up to 68, 000 of \$1,000 donations that should have been segmented to the general campaign and had to be given back to the donor. Most people do not receive that many donations.
- Senator Birdsell asked if this would apply to political parties as well.
 - PACs have different rules than an individual candidate. Their contributions are split up differently.

Summary of testimony presented in opposition: None

Neutral Information Presented: None

Future Action: Pending

TJM
Date Hearing Report completed: January 23, 2018