

1) Comment on New Reporting Schedule Proposal

The proposal highlighted in staff's new memo to create a two-track reporting schedule for campaigns based on their participation in the current year's election is a great idea. This proposal will reduce the burden for campaigns that are not participating in that year's election.

Here are three suggestions relating to the most recent proposal.

a) Eliminate or limit ability for PACs to switch between reporting tracks.

By allowing PACs to switch reporting tracks throughout the year, the agency is going to create a massive enforcement headache for itself and, to a lesser extent, treasurers.

The problem with the current reporting schedule is that the agency has no idea what reporting schedule to apply to committees because it is not always possible to easily tell: 1) whether the committee is raising/spending money above the threshold, and 2) whether the committee is "participating" in a particular election.

The agency should either eliminate the ability to spontaneously switch between reporting tracks or put some reasonable time restrictions on when this switch may occur. The firmer the agency can keep deadlines, the less confusion there will be on the part of both filers and the public.

b) Defaulting to more transparent reporting schedule for PACs that don't respond.

Under staff's current proposal, all PACs would have to designate at the beginning of the year whether or not they were participating in the year's election. Of course, some percentage of PACs will not do this by the deadline. If a PAC fails to indicate in a timely manner whether they are participating in the year's election, the PDC should operate on the presumption that they are participating and apply the more transparent reporting schedule to them. This will not only promote transparency it

will also provide PACs with an incentive to indicate their participation by the appropriate deadline.

c) Limit additional C4 reports to 1, or at most 2.

The most significant drawback to the latest reporting proposal is the number of additional reports that would be required to be filed during times when expedited information is not particularly useful to voters.

In previous legislative sessions, treasurers have previously agreed to file an additional C4 report at the 33-day mark in exchange for getting one additional day to file C4 reports. Having campaigns file additional C4 reports after the primary is over and weeks before general election ballots are mailed doesn't serve a compelling purpose.

The one thing that would make the proposed additional C4 reports palatable would be merging C3 and C4 reports, which it sounds like the agency is not open to, despite: a) the fact that that is how the vast majority of states do things, b) the reduction in confusion for filers, and c) the fact that this change would allow the PDC to enforce contribution reporting in a more mechanical manner.

2) Report respondents with unpaid penalties to credit agencies.

The mandate of the PDC is to protect the public's right to know about the financing of political campaigns and the financial affairs of elected officials. This is accomplished through education and, ultimately, enforcement.

The PDC utilizes a uniquely weak and inadequate enforcement system.

Most violations are never even raised to the agency's attention because the agency does not engage in much proactive enforcement outside of a few areas like C-1s and F-1s. The violations that do get caught by complainants are typically dismissed administratively by staff with no penalties.

Occasionally however some violations actually do result in small, wrist-slap penalties after the respondents have repeatedly been given many, many opportunities to comply

with the law. About half the time after being penalized¹, the respondents either: a) don't bother to file the missing report, b) don't pay the penalty, or c) both.

As someone who has watched PDC meetings for the last four years, it never ceases to amaze me the degree to which this agency will cater to the very community that fails to comply with our state's transparency laws.

It is the agency's job to do precisely the opposite of this.

One would think that the agency would want to use every tool in its toolbox to compel respondents to pay their unpaid penalties. After all, if the agency doesn't actually follow through on collecting the penalties it imposes, why go through the bother of imposing penalties in the first place?

The people who sacrificed time, money, and energy passing Initiative 276 would be incredibly disappointed to see how the agency operates today.

¹ I say this based on an analysis from about a year ago. I have no idea what the current percentages are.