

## MEMORANDUM

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**Date:** November 1, 2015

**To:** Honorable Margaret Wood Hassan, Governor  
Honorable Chuck Morse, President of the Senate  
Honorable Shawn Jasper, Speaker of the House  
Honorable Tammy Wright, Senate Clerk  
Honorable Paul Smith, House Clerk  
Michael York, State Librarian

**From:** Senator David Pierce, Chairman

**Subject:** Final Report of SB92, Chapter 151:1, Laws of 2015

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Pursuant to SB92, Chapter 151:1, Laws of 2015, enclosed please find the final report of the committee to study public access to political campaign information.

Should you have any questions or comments regarding the report, please don't hesitate to contact me.

Enclosure

cc: committee members



**SB 92**  
**CHAPTER 151:1, LAWS OF 2015**  
**&**  
**HB 304**  
**CHAPTER 66:1, LAWS OF 2015**

*Committee to Study Public Access to Political Campaign Information*

## **FINAL REPORT**

### **Introduction**

The above-named Joint Legislative Study Committee was selected to study issues relative to public access to political campaign information.

### **Duties of the Committee**

The Committee shall evaluate the merits and viability of having the state establish or endorse:

- a) A system of online campaign finance reporting.
- b) An online clearinghouse of information for voters, including voter registration and polling place information and information filed by candidates and political Committees.

The Committee outlined the following goals to expand upon their duties:

- Discuss issues, such as the potential need to hire new staff and the charges of the Committee.
- Provide full and timely disclosure of campaign finance data in a meaningful, easy-to-understand format.
- Provide voter registration and polling place information
- Provide candidate-supplied information about candidate positions and priority through hyperlinks on the Secretary of State's declared candidate listing.
- Encourage voter engagement
- Minimize red tape and busywork
- Catch campaign finance errors/violations as they occur
- Make the system more transparent.

### **Meeting Summaries**

**September 3<sup>rd</sup>:** Senator Pierce opened the meeting and explained that SB92 and HB304 would be meeting jointly. For SB 92, Senator Pierce was nominated and voted in as Chair. For HB304, Representative Hoelzel was nominated and voted in as Chair. Representative Bélanger was nominated and voted in to serve as Clerk of HB 304.

Senator Pierce reviewed the charges of the Committee. Richard Bourdon from Open Democracy explained the various ways the Committee could approach this issue. The Committee discussed different ways to achieve more transparency and how New Hampshire compares to other states.

**September 15<sup>th</sup>:** Deputy Secretary of State Dave Scanlan explained that since January 2015 the Secretary of State's Office has been developing a new online campaign finance reporting system. They reviewed the difficulties of the current system and the desire for an easier option, which prompted their creation of this new site. Karen Ladd from the Secretary of State's Office walked the Committee through the various aspects of the new site, which was created by a vendor, PCC, and allows candidates and PACs to upload their reporting documents in various forms directly to the site, rather than submit them to the Secretary of State in a paper format who then uploads the report to the site, which make the data in the reports electronically unsearchable. In contrast, any data uploaded directly to the new site will be searchable by the public and the new site should be operational within the next month or so.

**September 22<sup>nd</sup>:** Rick Bourdon, Gordon Allen, and Bob Perry from Open Democracy presented a complimentary model for campaign finance reporting. Their model utilizes much of the Secretary of State's model, while also bringing forward the concept of a "clearinghouse," where individuals/organizations will make their donations directly to the clearinghouse and the reporting entity will make its expenditures from the clearinghouse, much like an online banking system, and all information will be tracked online. The information would be available in real time and there would be a reduced chance for reporting errors. Another benefit is that the reporting entity would be relieved of the need for drafting periodic reports, as all information is run through the clearinghouse and is available in real time.

**September 29<sup>th</sup>:** The Committee discussed the various attributes of both models and the potential for integrating the two. Concerns were brought forward by Committee members about whether or not candidates are prepared to handle this level of technology. Senator Pierce pointed out that there is the opportunity to implement a more technological avenue, while still retaining the option for more traditional reporting.

**October 13<sup>th</sup>:** The Secretary of State's Office explained the feasibility of integrating the Open Democracy clearinghouse with the Secretary of State's reporting model. Steve Labonte from the Attorney General's Office pointed out situations the state engages in that are similar to the clearinghouse, such as the UNIQUE College Savings Plan. He also pointed out challenges this model could face from candidates, such as those opposed to having their campaign funds held by a government entity. He acknowledged that case law does allow for reasonable restrictions on the manner of speech, so did not see any substantive constitutional argument against the clearinghouse model. Mr. Bourdon suggested Open Democracy work with the Secretary of State's Office to make the Secretary of State's new system more robust.

**October 21<sup>st</sup>:** The Committee discussed various options for recommendations and approved the following recommendations for the final report:

- The Committee recommends the introduction of a bill for the 2016 session to establish a commission to study the feasibility of integrating the clearinghouse model into the Secretary of State's system. The commission would begin its work in June 2016 and

would report its findings in July 2017. If that commission recommends legislation to implement the clearinghouse, that legislation would be introduced during the January 2018 session and take effect in 2019, which would give the SOS' Office the time to implement it for the 2020 election.

- The Committee recommends bringing forward legislation that the SOS' office amend the computer code of its new reporting system so that a candidate, candidate PAC, or non-candidate PAC that chooses to electronically upload receipts and expenditures reports into the SOS system, may check a box when uploading its data to authorize that its data will be made public either a week following the upload or on the statutory deadline, whichever occurs first.
- The Committee recommends legislation for 2016 to mandate electronic upload of information by non-candidate PACs to the SOS' new system once it exceeds \$1,000 in receipts or expenditures and that that data will be made public either a week following the upload or on the statutory deadline, whichever occurs first.
- The Committee recommends that the SOS' office and Open Democracy collaborate and confer about making the online system meet best practices.

**October 27<sup>th</sup>:** The Committee reviewed and approved the final report.

*Please see the attached minutes for further detail of meetings.*

### **Recommendations**

- The Committee recommends the introduction of a bill for the 2016 session to establish a commission to study the feasibility of integrating the clearinghouse model into the Secretary of State's system. The commission would begin its work in June 2016 and would report its findings in July 2017. If that commission recommends legislation to implement the clearinghouse, that legislation would be introduced during the January 2018 session and take effect in 2019, which would give the SOS' Office the time to implement it for the 2020 election.
- The Committee recommends bringing forward legislation that the SOS' office amend the computer code of its new reporting system so that a candidate, candidate PAC, or non-candidate PAC that chooses to electronically upload receipts and expenditures reports into the SOS system, may check a box when uploading its data to authorize that its data will be made public either a week following the upload or on the statutory deadline, whichever occurs first.
- The Committee recommends legislation for 2016 to mandate electronic upload of information by non-candidate PACs to the SOS' new system once it exceeds \$1,000 in receipts or expenditures and that that data will be made public either a week following the upload or on the statutory deadline, whichever occurs first.
- The Committee recommends that the SOS' office and Open Democracy collaborate and confer about making the online system meet best practices.

Respectfully submitted,

David Pierce

Senator David Pierce  
Co-Chair, District 5

Kathleen M. Hoelzel

Representative Kathleen Hoelzel  
Co-Chair, Rockingham 03

Regina Birdsell

Senator Regina Birdsell  
District 19

James Belanger

Representative James Belanger  
Hillsborough 27

Yvonne Dean-Bailey

Representative Yvonne Dean-Bailey  
Rockingham 32

Representative Marcia Moody

Representative Marcia Moody  
Rockingham 17