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ATTN: House Committee on Rules

Chair Williamson & members of the committee,

My name is Sal Peralta. I am testifying in favor of HB 2584 on behalf of the Independent Party of Oregon and its 120,000 members statewide.

This legislation more explicitly defines what constitutes an expenditure in Oregon law; more explicitly differentiates between independent expenditures from coordinated expenditures; lowers the threshold required for filing independent expenditures; establishes a 40% penalty for claiming that coordinated expenditure is independent and establishes a framework for reporting and monitoring individuals and entities that make those expenditures that would include random audits of all entities that spend more than \$250 in an election cycle.

The auditing proposed in the legislation differs substantially from auditing that is currently done of political committees. Under the current system, the Secretary of State randomly audits individual transactions of all committees. Under the auditing proposed by this legislation, the bank accounts and all transactions of randomly selected committees would be audited.

Given the increased penalty matrix (most elections-related campaign finance violations are a maximum 10% fine) and the stronger auditing, it would seem that the point of this legislation is to discourage individuals and entities from engaging in independent expenditures in Oregon and to encourage more reporting as coordinated expenditures.

We believe that several of the state's largest and most powerful political committees would fall under the provisions of this legislation and would therefore be subject to increased disclosure and increased penalties proposed in this legislation.

We support the bill.

Respectfully,

Sal Peralta