



M U L T I S T A T E

**Fontana to require electronic campaign finance forms in 2022 election** (California)

Fontana will begin requiring elected officials and [candidates for office](#) file Fair Political Practices Commission, or FPPC, campaign finance forms electronically.

Until last week, the city only accepted paper documents.

Only in certain circumstances will hard copies be accepted by the City Clerk's Office.

Approved unanimously by city leaders Dec. 14, the move is expected to increase efficiency and transparency.

Filing electronically will be required of those running for office in 2022.

Five current elected officials are up for reelection next year: Mayor Acquanetta Warren, Councilmen John Roberts and Phillip W. Cothran, City Clerk Tonia "Toni" Lewis and City Treasurer Janet Koehler-Brooks.

Several types of forms are required of elected officials and candidates by the FPPC, including Form 460, which reveals who has donated to a candidate's campaign and when.

These forms will soon be available to view on the city's website.

**Standing down is best course for legislators married to lobbyists** (New Mexico)

The end of the holiday season is a good time for a House cleaning. My use of the capital H is intentional.

Because of its devotion to lobbyists instead of ordinary people, the New Mexico House of Representatives enables storefront lenders to charge the unconscionable annual interest rate of 175 percent.

Two members of the House are married to lobbyists who have been paid advocates for lending companies.

One is Rep. Antonio “Moe” Maestas, D-Albuquerque. His spouse is high-powered lobbyist Vanessa Alarid. She advocated for the lending industry this year when it succeeded in maintaining the 175 percent interest rate.

The other lawmaker is House Majority Whip Doreen Gallegos, D-Las Cruces. She is married to another well-known lobbyist, Scott Scanland. He did not lobby for the lending companies this year but previously was one of their paid advocates.

Legislators should divorce themselves from any bill a spouse is lobbying on. New Mexico is a community property state. Income from lobbying also goes in the legislator’s pocket.

Maestas has tried to counter my argument by saying he cannot abstain, ever, if he is to do his job. He said his position is based on advice from someone with the National Conference of State Legislatures. If Maestas recused himself from any vote, he said, special interests could silence his voice again and again by hiring his wife as a lobbyist.

Down is up, and conflicts of interest must be allowed, at least in Maestas’ world.

It’s time for the full 70-member House of Representatives to take a stand. The chamber already looks villainous for its handling of interest rates. The least House Speaker Brian Egolf, D-Santa Fe, can do is call on members to abstain from voting on any bills in which their spouse is lobbying.

Eliminating conflicts of interest is especially important on bills to reduce the triple-digit interest rates low-income people are charged by loan companies.

State senators early this year voted 25-14 to lower the rate from 175 percent to 36 percent. A mix of Democrats and Republicans in the House scotched the bill with a flurry of amendments, jacking up the proposed interest rate on many small loans to 99 percent.

Maestas and Gallegos voted for a 36 percent interest rate when the bill was heard in the House Commerce and Economic Development Committee.

Gallegos later was part of small group of House members who devised a mix of 99 percent and 36 percent interest rates. Maestas made a speech on the House floor favoring the “compromise” that would have included

99 percent rates.

With the Senate and House divided, the reform bill died. The 175 percent rate remains legal. It was a triumph of lobbying and an embarrassment for the House.

State credit unions had stepped up. Their leader promised to provide installment loans at rates of 36 percent or lower.

Most House members still took up for storefront lenders. They included Rep. Susan Herrera, D-Embudo, who was a sponsor of the bill to chop the interest rate to 36 percent.

“Almost 600,000 of these small installment loans have been taken out in New Mexico over the past year,” Herrera said. “These numbers tell us that families in our state need the option to access these emergency resources just to make ends meet. If we place the cap too low, they will be denied all loans and have no options left, so this compromise strikes this balance.”

Industry lobbyists couldn’t have said it better. Thirty-six percent somehow is minuscule.

Paul B. Stull, president and CEO of the Credit Union Association of New Mexico, saw the House deal-making for the failure it was.

“We help people get out of debt, not put them into debt that can ruin their lives. We charge rates that are a mere fraction of 175 percent,” he said.

Another bill to cut the interest rate to 36 percent might be introduced in the 30-day legislative session that starts next month. Democratic Gov. Michelle Lujan Grisham could open a place on the agenda for the bill.

Another option is for a lawmaker to propose a constitutional amendment lowering the interest rate. That maneuver would sidestep the governor by taking the proposal to a statewide vote of the people.

A proposed constitutional amendment would have to clear both chambers of the Legislature to make the ballot. The Senate is solid. Once more, the House might be an obstacle to reform.

Think New Mexico, a public policy organization, is pushing for a rate of no more than 36 percent. With the legislative session three weeks away, Think New Mexico already is counting votes in the House.

By its tally, 33 members support a 36 percent interest rate. Twenty-nine oppose the rate cut, and eight are undecided or not saying where they stand.

Fred Nathan, who heads Think New Mexico, places Maestas and Gallegos among the eight his organization rates as tossup votes.

My mailbox has overflowed with emails and letters about political inaction on this issue.

“The interest rate of 175 per-cent is an outrage and it’s immoral,” one subscriber wrote.

Another stated: “Usury used to be illegal.”

In New Mexico’s House, it seems, lobbyists have more muscle than loan sharks did.

### [\*\*New law could give campaign finance scofflaws a big break\*\*](#) (Delaware)

Delaware election officials have failed to take action as mandated by law against political candidates and committees who haven’t filed required campaign finance reports, but the scofflaws could escape liability under a new law effective Jan. 1.

A report recently submitted to the state Board of Elections shows candidates and committees owed more than \$600,000 in fines for failing to file campaign finance reports just for the 2020 election cycle alone. More than \$23,000 in additional uncollected fines were owed by candidates and committees who filed reports after the required deadlines.

The financial penalties for missing reports have only increased, however, because fines of \$50 per day continue to accumulate until a report is filed.

Yet, the Department of Elections appears to have done little to try to collect the outstanding fines or to enforce the reporting requirements, other than to send periodic notices to candidates and committees. In those notices, however, the department acknowledges that it is required to

refer violations to the attorney general's office, which could result in misdemeanor criminal charges, if a report is not filed within 30 days of the due date.

Meanwhile, under the new law, campaign finance scofflaws could avoid having to pay hundreds of thousands of dollars in outstanding fines.

The legislation, which received only one dissenting vote in the General Assembly, eliminates the mandatory \$50 daily fine and instead says the commissioner "may" issue a citation. A citation would carry a fine of \$50 a day, along with mandated training for filing reports, but the maximum fine would be capped at 100 days, or \$5,000.

The law also allows the elections commissioner, once a missing report has been filed, to negotiate a settlement of the outstanding fine, which could presumably include waiving a fine in its entirety. That provision is retroactive, meaning people who currently owe huge fines, some exceeding \$100,000, could pay little or nothing.

The sponsor of the legislation, which was proposed by the Department of Elections, said allowing scofflaws to avoid fines was never his intent.

"They shouldn't get off the hook, and the Department of Elections needs to be more aggressive in pursuing these.... It certainly was never my intent to help give someone a break who flagrantly disregarded the law," said Sen. Trey Paradee, D-Dover.

Paradee said he was "shocked" and "disgusted" when told by The Associated Press about the unfiled reports and uncollected fines.

"I had no idea that you had committees that were just that far out of compliance," he said.

As of last month, there were six cases in which pre-primary reports due in August and September of 2020, and six cases in which pre-general election reports due in October 2020, had not been filed. There were another 15 cases in which annual reports for 2020, which were due Jan. 20 of this year, had not been filed.

But the attorney general's office has received only one campaign finance referral from the Department of Elections since Jan. 1, 2020, according to spokesperson Mat Marshall. Marshall also said the attorney general's office was unaware of any pre-2020 referral, even though campaign finance documents show significant violations in previous years.

A political action committee called Citizens for a Better Wilmington, for example, filed a report that was due in August 2018 more than two years late, in November 2020. The resulting fine of \$41,400 still has not been paid, according to the Department of Elections website.

Elections commissioner Anthony Albence declined several interview requests from the AP.

“The department is fully aware of the political committees ... that have failed to file required campaign finance reports, and is also aware of the amounts of outstanding fines owed by the political committees’ treasurers and/or candidates that have accrued due to non-filed (and late filed) campaign finance reports,” Albence wrote in a Nov. 18 email. “The department is working diligently to address and resolve these matters, while also simultaneously administering its many other priorities and responsibilities.”

Following the AP’s queries, however, Albence sent out new violation notices to several committees informing them he would refer their cases to the attorney general’s office “as required by law,” if the outstanding reports were not filed by Dec. 30.

Recipients also were told to contact the Department of Elections to arrange payments for outstanding fines.

“Your failure to resolve this outstanding indebtedness to the state may result in a collection action being filed against you in a Delaware court,” the letters added.

Targets of the letters include the Black Caucus PAC, which owed more than \$140,000 as of mid-December; Va’Shun Turner, a former Wilmington councilman and 2020 city treasurer candidate who owed more than \$144,000; and Ronnell Page, a former Wilmington council candidate who owed more than \$120,000.

Black Caucus PAC founder Lovely Lacey, a former legislative aide who also worked for the Delaware Democratic Party and used the party’s headquarters as the mailing address for her and the PAC, did not respond to email and cellphone messages. Turner promised to call an AP reporter back but never did.

Page filed his three outstanding reports one day after The Associated Press questioned him.

“I’m totally blown away by this conversation,” said Page, adding he never received violation letters from the Department of Elections while acknowledging that his wife, who was his campaign treasurer, received two email reminders in January in advance of the deadline for the 2020 annual report.

“There’s gotta be something that can be done,” Page said of his outstanding fines. “That number is astronomical.”

Page could very well get his wish.

The Dec. 30 deadline mentioned in the latest violation notices is mere hours before the new reporting law takes effect.

### **[Tenn. lawmaker indicted on federal campaign finance charges is asking for donations](#)** (Tennessee)

State Sen. Brian Kelsey (R-Germantown) recently [got his federal trial on campaign finance charges moved until January 2023](#). Then he started going about the business of raising money for his re-election bid next year.

“The Liberals have found an opponent to run against me!” Kelsey says in the fundraising appeal. “This race is the number one target for Democrats in the state of Tennessee and last election we won by only 51-49%!”

Kelsey makes no mention of his legal issues in the fundraising email.

[Prosecutors allege](#) Kelsey funneled money from his state account through other political action committees to a national conservative group to spend on radio ads in support of his ill-fated 2016 congressional bid. Kelsey has denied the charges and denounced the case as a political witch hunt.

It remains to be seen how enthusiastic potential donors will be about giving money to the indicted senator, especially when campaign finance disclosures due at the end of next month will reveal who has contributed to the embattled lawmaker.

### **[Pa. court rules against former Pittsburgh Councilwoman Darlene Harris in campaign finance case](#)** (Pennsylvania)

A state appellate court ruled Tuesday that former Pittsburgh City Councilwoman Darlene Harris must pay fines levied against her for failing to file financial disclosure reports during her campaign in 2019.

In a 20-page opinion, the Commonwealth Court found that the \$4,150 fine levied against Harris was not excessive and was properly authorized.

Jim Burn, the attorney who represented Harris, said they are strongly considering filing an appeal — either to a panel of the Commonwealth Court or to the state Supreme Court.

“We believe our facts warrant a serious review of the constitutionality of the city’s ordinance,” he said. “At this point, we don’t think this conversation is over.”

The ordinance, enacted by the city in 2015, requires candidates for office to provide a campaign finance report on the first business day of each of three months leading up to election day.

Harris, who was first elected in 2006, was notified in February 2019 that she would be required to submit such reports for the 2019 primary, but she refused to comply. Instead, Harris challenged the law, saying it was unconstitutional and preempted by state campaign finance laws. She filed a suit against the city, Mayor Bill Peduto and the Ethics Hearing Board.

At a hearing on the issue on May 23, 2019, a hearing officer ruled against Harris. Four months later, the ethics board issued a fine of \$50 per day for each day she hadn’t filed a report, totaling \$4,150.

Allegheny County Common Pleas Judge Joseph James upheld the decision, finding that the city’s home rule charter provides broad powers, including those to regulate campaign finances.

Harris appealed to the Commonwealth Court, which said that the city’s ordinance is not in conflict with state campaign finance laws.

“(T)he Pennsylvania Constitution and the Home Rule Law gave the city broad powers to legislate,” the court wrote. “In the Election Code, the legislature did not express the intention to assume exclusive jurisdiction over the field of campaign finance of candidates for municipal office.”