

**February 8, 2018**



411 S.W. 2nd Avenue  
Suite 200  
Portland, OR 97204  
503-548-2797  
[info@progpatty.org](mailto:info@progpatty.org)

**Oregon Progressive Party  
Position on Bill at 2018  
Session of Oregon Legislature:**

**HB 4076: Support**

Dear Committee:

The Oregon Progressive Party supports HB 4076, which establishes a Small Donor Elections program to enable candidates for office of state Representative and state Senator to receive 6-to-1 match on small dollar donations.

Oregon can make consistent progress in education, health care, economic development, living wage jobs, and natural resource issues only by curtailing the power of private economic interests to unduly dominate our political process. We must restore fairness in political campaigns and achieve a government that represents the views and needs of all residents instead of allowing only a powerful few to call the tune by providing massive funds to enable some candidates to overwhelm others.

Because candidates throughout Oregon are now forced to treat campaign fundraising as an arms race to be won at all costs, they have become unduly beholden to large contributors and the special interests able to contribute the big money. Campaign spending in Oregon has skyrocketed by a factor of 10 (1,000%) since 1996.

Big money in politics weakens our democratic institutions, undermines confidence in government, and excludes the vast majority of citizens from seeking public office. Strong campaign finance laws are critical to protect the integrity of Oregon elections.

The State Integrity Investigation of the Center for Public Integrity in November 2015 graded Oregon an overall "F" in systems to avoid government corruption. Oregon ranked 49th out of 50 states in control of "Political Financing," beating only Mississippi on that score.

THE OREGONIAN reported that Oregon candidates raise and spend more in their campaigns for the State Legislature, per capita, than in any state other than New Jersey (where candidates must buy into the expensive New York City and Philadelphia media market). The amount spent on races for the Oregon Legislature has increased 10-fold over the past 20 years and by 50% since that OREGONIAN

article. Most of those races are not competitive, as one party holds an overwhelming registration advantage in the district. But the average spent in 2014 by each of top 10 Oregon Senate candidates rose to \$750,000; by each of the top 10 Oregon House candidates rose to \$684,000. Some candidates spent over \$70 per vote received; some spent over \$1 million for a single Senate seat or a single House seat.

Oregon also rates very low on effective disclosure of the funders of political ads. The Corporate Reform Coalition (75 progressive organizations) in 2012 concluded that only 6 states have worse systems for disclosing independent expenditures. They graded Oregon an "F" in disclosure, while Washington earned an "A." Now, 10 states require that political ads identify their top funders, including California and Washington. For 93 years, Oregon had a law requiring that political ads at least identify their sources, but that law was repealed in 2001 by a Republican-majority Legislature and a Democratic Governor. Neither of the largest parties wanted disclosure, and the Oregon Legislature--dominated by those two parties--has never adopted limits on political contributions.

We support campaign finance reform for Oregon--one of only 6 states with no limits on campaign contributions. The Oregon Legislature, or voters using the initiative process, should adopt limits on political contributions, disclosure and tagline requirements for political ads (including those funded by independent expenditures). The model for such reform is Multnomah County Measure 26-184 of 2016, adopted by a "yes" vote of 89%.

### **Improvements to HB 4076**

On the whole, HB 4076 is a very well-drafted bill. But it could be tightened up a bit.

#### **Definition of Small Donor Political Committee**

Its definition of "small donor political committee" may allow a regular political committee, having unlimited amounts of money from past contributions of unlimited size, to declare itself to be a "small donor political committee" merely by renouncing future contributions in excess of \$250 per election cycle per person. The definition in HB 4076 is:

(8) "Small donor political committee" means a political committee that accepts contributions only from individuals in aggregate amounts of no more than \$250 per election cycle. A candidate may not establish more than one small donor political committee.

A political committee with a war chest of \$10 million could declare that it now "accepts contributions only from individuals in aggregate amounts of no more than \$250 per election cycle" and is therefore a "small donor political committee." The problem is that the implied prohibition on receiving larger contributions is expressed in the present tense. This language appears to have been borrowed from the definition of

"small donor committee" in Measure 47 (2016). I was the author of that measure and have since tightened up the definition, so that in HB 4076 it would read:

"Small Donor Political Committee" means a Political Committee which has never accepted any Contributions except from Individuals in aggregate amounts of no more than \$250 per election cycle.

### **Minimum Number of Donors to Qualify for the Program**

HB 4076 does not allow a candidate to receive matching funds, until the candidate has received qualified small donor contributions from 400 donors (for candidate for state Senator) or 250 donors (for candidate for state Representative). We believe those thresholds are too high and would effectively limit participation to "establishment" candidates. We suggest cutting those thresholds in half.

### **Oregon Progressive Party**

**Daniel Meek**

authorized legal representative

[dan@meek.net](mailto:dan@meek.net)

503-293-9021

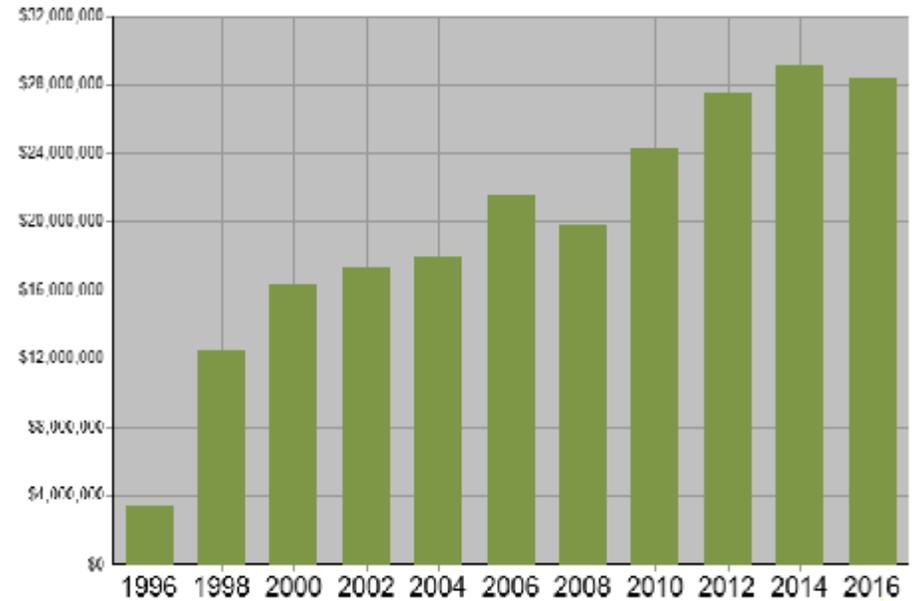


# National Study of Anti-Corruption (Nov. 2015) Grades **Oregon: F**

Public Access to Information	F
Political Financing	F
Executive Accountability	F
Legislative Accountability	D-
Procurement	F
Lobbying Disclosure	F
Ethics Enforcement Agencies	F



## Spending on Races for Oregon Legislature

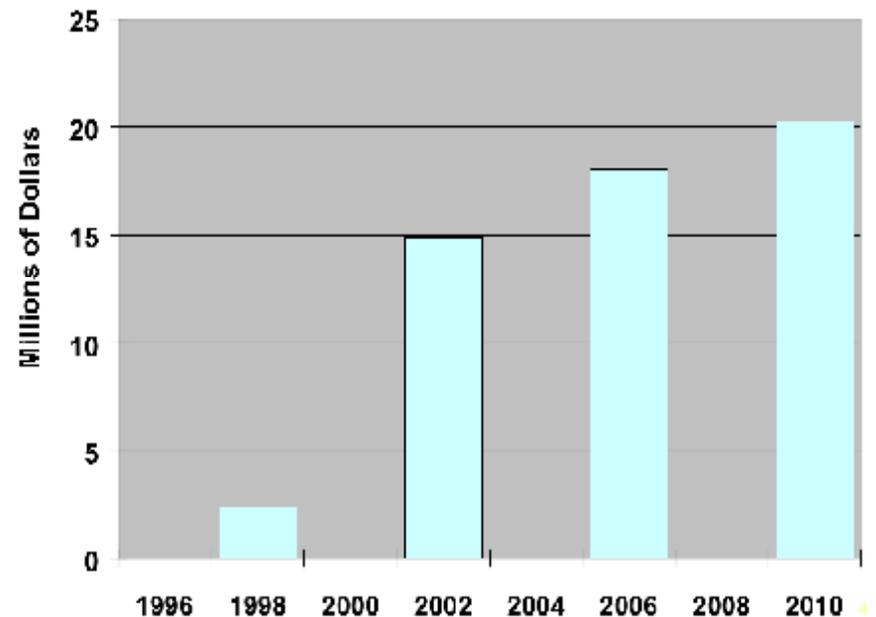


## Worst States in Political Finance Regulation (2015)

- 45. North Dakota
- 46. Virginia
- 47. Indiana
- 48. Wyoming
- 49. Oregon
- 50. Mississippi



## Spending on Oregon Governor Races



## Legislature Campaigns Spend \$\$\$

Oregon Legislature campaigns spend most per capita in USA, except New Jersey

Average spending by top 10 Senate candidates:

§ 2014 = \$750,000

§ 2012 = \$550,000

Average spending by top 10 House candidates:

§ 2014 = \$684,000

§ 2012 = \$661,500

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## Oregon Lacks Disclosure

§ Oregon Legislature in 2001 repealed law requiring that political ads identify their source

§ The Corporate Reform Coalition (75 organizations) in 2012 concluded that only 6 states have worse systems for disclosing independent expenditures;

§ Oregon = "F"      Washington = "A"

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## Multnomah County Amendment

§ Prohibits contributions by corporations and other entities

§ Limits candidate to receiving \$500 from any individual or PAC

§ Small Donor Committees can aggregate contributions of \$100 or less and spend as desired

§ Requires that 5 largest true original sources of funds (of \$500 or greater) be prominently disclosed on political advertisements

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## INITIATIVE PETITION 1 (2020)

Oregon laws consistent with the freedom of speech guarantee of the United States Constitution may regulate contributions and expenditures, of any type or description, to influence the outcome of any election; provided, that such laws are adopted or amended by an elected legislative body by a three-fourths vote of each chamber or by initiative.

**honest-elections.com**

**info@honest-elections.com**

**503-232-5495**

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