Honest Elections

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Portland City Charter 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

Supporters of PDX 26-200 (2018)



Supporters of PDX 26-200 (2018)



Press Endorsements for PDX 26-200 (2018)



Supporters of Mult 26-184

















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

F

F

F

D-

F

F

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



Worst States in Political Finance Regulation (2015)

- 45. North Dakota
- 46. Virginia
- 47. Indiana
- 48. Wyoming
- 49. <u>Oregon</u>
- 50. Mississippi



Spending on Oregon Legislature Races



Oregon Legislature 2012 – 2018: Average Spending by Top 10 Candidates:

Oregon Senate	Oregon House	
2018 \$627,000	2018 \$700,000	
2016 \$609,000	2016 \$825,000	
2014 \$750,000	2014 \$684,000	
2012 \$ 550,000	2012 \$661,500	

Big Spenders Win 92-96%

in races for the Oregon Legislature

- The candidate who spent the most won:
 - 96% of the contested seats in 2014
 - 92% of the contested seats in 2016
- Incumbents spent more than challengers:
 - 93% of contests in 2014
 - 95% of contests in 2016

Contribution Limits to Legislators

Alaska	\$ 500	Kansas	\$ 500
Colorado	\$ 200	Maine	\$ 375
Connect.	\$ 250	Montana	\$170
Delaware	\$ 600	Wisconsin	\$ 500

Contribution Limit to Legislators: \$1,000 per Person

Florida Idaho Kentucky **Massachusetts** Michigan Minnesota **New Hampshire**

Rhode Island South Carolina South Dakota Vermont Washington West Virginia

Public Funding States



Public Funding Cities



Kate Brown's Commitment

We must restrict the flow of immense contributions into campaigns and we must expose the big money that wealthy donors seek to hide. Governor Brown's primary goals are to:

 Refer a constitutional amendment to the ballot so that voters in the future can approve the ability to impose campaign finance limitations in Oregon elections.

Source: Turning Point: An Agenda for Oregon's Future (Governor's Policy Agenda) December 2018

Oregon Lacks Disclosure

- Oregon Legislature in 2001 repealed law requiring that political ads identify their source
- The Corporate Reform Coalition (75 organizations) in 2012: only 6 states are worse than Oregon in disclosing independent expenditures

Oregon = "F" Washington = "A"

Other States Have Disclosure

11 States require that political ads identify their source, including:

California **Massachusetts** Minnesota Washington

Hawaii Maine Vermont Virginia Montana

Colorado Arizona

Effect in 2014 Election in Richmond, California

Taglines in 2014 Election in Richmond, California

Taglines on candidate ads foiled the massive attempt by Chevron, Inc. in 2014 to take over the government of Richmond, California.

Accidents (including huge explosions) at the Chevron refinery in Richmond released toxic gases. The Richmond City Council pushed for toxic controls and sued Chevron for damages resulting from a major fire in 2012 that sent thousands of Richmond residents to hospitals.

Taglines in 2014 Election in Richmond, California

Chevron tried to take over the city government by running candidates for mayor and all city council seats. Chevron spent over \$3 million promoting its 4 candidates (\$281 per voter), outspending the other candidates by a factor of 50.

But California law required that the ads identify their major funder: Chevron, Inc.

All Chevron's candidates lost overwhelmingly.

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.

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"Loophole makes it tough to follow money in Oregon campaigns"

• <u>AP</u> · by COOPER GREEN · September 11, 2017

But there's a hole in the system: The public can only see single transactions on the state's website and in public records. If a candidate passes contributions to another candidate, or to a reelection fund for fellow party members, the public can no longer see the money's original donor.

These transactions are pass-throughs — allowed in unlimited quantity under Oregon law.

"Loophole makes it tough to follow money in Oregon campaigns"

AP - by COOPER GREEN - September 11, 2017

Statesman Journal analysis of campaign finance shows that candidates have utilized this system of pass-throughs more than 2,800 times in the last 3 election cycles alone, transferring \$18.7 million between themselves.

This means that more than a quarter of all money involved in legislative campaigns has seen more than one lawmaker as it moves through the system.

When asked about the practice, legislative leaders declined to discuss it.

"Blurred source of donations reveals quirk in law"

<u>AP</u> - by TOM JAMES - May 11, 2018

Anonymous campaign donations are banned in Oregon, but nearly half the money raised by a leading Republican gubernatorial candidate cannot be directly traced because it comes from two out-of-state corporations.

The two corporations have donated \$125,000 of the \$288,000 raised so far by candidate Greg Wooldridge.

"Blurred source of donations reveals quirk in law" (2)

<u>AP</u> - by TOM JAMES - May 11, 2018

The cloaking of campaign funds reveals a loophole in Oregon law: Anonymous donations from individuals are illegal, but donations from anonymously-run corporations are not. A company's name alone satisfies Oregon laws requiring candidates to list sources of donations, even if company documents don't list the actual owners.

State licensing laws allow corporations to be set up without listing their actual owners or beneficiaries.

Seattle 2015 Initiative I-122

Limits individuals and entities to contributions of \$500 to any candidate or political committee

Prohibits contributions by persons or entities:

- with \$250,000 in city contracts (past 2 years)
- which has paid \$5,000 or more to lobby city officials (past year)

Prohibits lobbying of city by elected officials or high-level staff for 3 years after leaving office

Seattle 2015 Initiative I-122: Vouchers

Each voter receives four \$25 vouchers to give to candidates who comply with:

- Iower contribution limits (\$500 for mayor, \$250 for city council)
- spending limits (\$800,000 for mayor, \$300,000 for at-large city council, etc.)

Vouchers (\$100 per voter) funded by property tax levy = \$3 million per year