

**FAIRELECTIONS OREGON**  
www.fairelections.net

Dan Meek  
503-293-9021  
dan@fairelections.net

**SIERRA CLUB, OREGON CHAPTER**  
www.oregon.sierraclub.org

Ivan Maluski  
503-238-0442 x304  
ivan.maluski@sierraclub.org

**February 28, 2006**

## **SIERRA CLUB OF OREGON ENDORSES SET OF TWO STATEWIDE CAMPAIGN FINANCE REFORM BALLOT MEASURES**

The Sierra Club of Oregon, the state's largest environmental membership group, has endorsed Petitions 8 and 37, the two statewide campaign finance reform measures now circulated by FairElections Oregon and its coalition partners.

Oregon is one of only 5 states with no limits on political contributions. "What Tom DeLay was indicted for in Texas is completely legal in Oregon," said Harry Lonsdale, a supporter of the two measures. Providing corporate cash to candidate campaigns is perfectly legal in Oregon, while it is prohibited in Texas and most other states.

"If we really want Oregon's government to reflect the values of Oregonians, then we have to change our campaign finance system," explained Barry Wulff, Oregon Chapter Sierra Club's Political Chair. "As long as corporate polluters have so much control of our political system, we should not be surprised when the system continues to allow pollution of Oregon's air, water and people."

"These are really important ballot measures that will help Oregonians take back our political system and help restore confidence that our government is not being run by wealthy corporate interests that do not have the best interests of Oregonians in mind," added Ivan Maluski, with the Sierra Club. "We are urging all of our members to take a very active role in this campaign."

The amount spent on Oregon campaigns has increased 10-fold in the past decade. Corporations outspend labor unions by 5-1 and environmental groups by 100's to one. Wealthy business executives contribute over \$100,000 each to statewide candidates; the Mannix for Governor campaign in 2002 received over \$1.2 million from just 6 corporate executives, while both major party candidates for Governor broke all records in spending \$4.5 million each. It now typically costs over \$500,000 to win a contested seat in the State Senate and over \$250,000 to win such a seat in the State House of Representatives.

Money for candidate campaigns buys political results. Enron bought PGE in 1997, and they contributed over \$400,000 to candidates for the Oregon Legislature and both parties over the next 2 election cycles. What did this buy? They got approval for the largest electricity rate increase in Oregon history (over \$400 million per year) and got away with charging Oregon ratepayers over \$800 million "state and federal income taxes" never paid by PGE or Enron.

Oregon voters, by 72% "yes", enacted limits on political contributions in 1994, but the Oregon Supreme Court in 1997 decided that the Oregon Constitution does not allow any such limits. Petition 8 is a one-sentence amendment to allow the enactment of limits on political spending in state and local races in Oregon. Petition 37 is a detailed statute that restores and updates the limits enacted 1994. It bans all corporation and union contributions, limits contributions by individuals to \$500 in a statewide race and \$100 in a non-statewide race (primary and general races are separate). It allows "small donor committees" unrestricted use of all contributions they receive from individuals of up to \$50 per person per year. It also strictly limits and requires extensive disclosures for all "independent expenditures" right in the ads themselves.

## Background

According to a recent Oregon voter poll conducted by Riley Research Associates, 76% of Oregon voters support the establishment of campaign contribution limits for state and local candidates, while only 13% oppose (with 11% undecided). Of those who expressed an opinion (removing the "undecideds"), 85% favored the creation of limits on political campaign contribution limits in Oregon, including 90% of Democrats, 79% of Republicans, and 87% of others.

## Limits on Campaign Contributions and Expenditures for Candidates

Petition 37 bans all corporations, labor union treasuries, and other entities from making contributions in candidate campaigns. Today, 21 states already ban corporate contributions, and 14 of them ban union contributions. Petition 37 It allows any individual person to contribute in candidate races (primary and general elections are separate races):

1. \$500 in any statewide race (governor, attorney general, secretary of state, treasurer, labor commissioner, superintendent of education, appeals court judge)
2. \$100 in any non-statewide race (state legislature, city council, etc)

In addition, any person can contribute per year \$50 to any small donor committee, \$500 to any political committee, and \$2,000 to any political party, with an aggregate limit on all of these contributions of \$2,500 per person per year. This would tie Maryland for the lowest aggregate limit of any state (Maryland is \$10,000 per 4-year cycle). Arizona limits annual aggregate contributions to \$3,530. Rhode Island and Wisconsin are \$10,000 per year. Massachusetts is \$12,500 per year; Connecticut is \$15,000 per year, etc.

Under Petition 37, individuals, contributing within these limits, are the only source of funds for political committees and political parties.

Petition 37 allows anyone or any group to create a small donor committee (SDC), which can receive contributions of \$50 or less per contributor per year. The SDC can then use these funds, in any amount, to support or oppose any candidate or candidates. This is a very democratic way for individuals to join together their small contributions to express their joint preferences. A membership organization of individuals, such as a public interest group or labor union, can form an SDC (as well as a regular political committee) and can allocate part of each member's dues to the SDC, as long as it does not allocate more than \$50 per member per year. The membership organization can also solicit contributions from its members (or from any other individual) into its SDC.

Petition 37 allows a candidate to spend from personal funds not more than \$50,000 in a statewide partisan race or \$10,000 in any other race, with those limits increased by 50% for non-incumbents. Limits on use of candidate personal wealth exist only in Hawaii, Michigan, Nevada, Tennessee.

## Limits on "Independent Expenditures"

To prevent the circumvention of these limits by "independent expenditures" (think of 527 groups on the federal level), Petition 37 bans all such expenditures by corporations, unions, and other entities and limits individuals to "independent expenditures" of not more than \$10,000 per year on all candidate races. Further, Petition 37 requires:

1. Every campaign ad funded by "independent expenditures" must prominently disclose everyone who contributed \$1,000 or more to the "independent" campaign, their lines of business, and the amounts contributed; and
2. Anyone making independent expenditures during any 2-year election cycle in excess of \$200 must publicly report the expenditures in the same manner and schedule as a political committee must report.

For more information, see <http://www.fairelections.net>