

The Problem

As Oregonians, we pride ourselves in transparency in disclosure in our political campaigns. We don't have limits on what candidates spend, but spending is reported. When I talk with constituents, they agree that transparency is important, and they believe we have it: that everyone knows how much is being spent, who is spending it, and where the money is coming from. My constituents are surprised to hear that this isn't always true, even in Oregon.

Around the country, including here in Oregon, people are feeling a "loss of faith in our democracy"¹ because of the lack of transparency around money in politics. In a National Public Radio story about the Federal Elections Commission, one commissioner said "The actual extent of dark money, of course is unknown because by its very nature, it's dark." ... and quoting again: "501c4s and c6's under the tax code that are supposed to be social welfare organizations *still* giving to campaigns."

The National Conference of State Legislatures (NCSL) tells us that 47 states require groups or individuals to report their spending during a campaign period, with the timing of reports dependent on the amount of money spent and the proximity, in time, to the election. Two states have an expanded definition of communications that fall under the reporting requirement, such as **this** bill proposes.

In the words of my local newspaper, the Register Guard, in an editorial, Oregon has "some of the weakest safeguards against big money on the books."

We can try to do better in Oregon.

Our current laws don't require all individuals and organizations that run informational ads, post lawn signs, send mailers, and so on before an election, to report their spending. Groups can disseminate plenty of information, sometimes carefully selected and targeted, about candidates leading up to an election, and as long as their materials do not clearly state support or opposition, in direct words like Vote For or Elect or Vote Against, they don't have to report their spending. This is called "dark money." This money spent disseminating information about someone on the ballot, during the election campaign period, has the potential – is very likely to – influence the election.

I'll give you an example. An organization is trying to help elect a candidate who favors their point of view on an issue. So they send out a mailer, or maybe buy radio or TV ads. The communication doesn't say "vote for So-and-So," but it points out all the terrific traits of that person. Or – conversely – what that person has done that

¹ (*Reg. Guard*)

HB 2505: Campaign Finance reform: Transparency. Ending Dark Money

would alarm the local voters. The communication *refers* to the candidate, and should be considered a political communication. Right now, it doesn't have to be reported.

Closing the loophole: The Fix

Disclosure is one of the most basic forms of campaign finance regulation, and HB 2505 aims to close a loophole in Oregon's campaign disclosure laws.

This bill **expands the definition of a communication** in support of or in opposition to a clearly identified candidate" *within* the existing statute on independent expenditures, and using the reporting mechanism that already exists. So, it increases the reporting requirements – in that more types of communications would be subject to reporting.

Over the past couple of years, I've worked with the Secretary of State's office, Department of Justice, and various organizations to hear concerns and then work with legislative counsel to craft a bill that accomplishes the goal – transparency, addresses stakeholder concerns, and fits within the constitution and the law.

Sideboards

- The threshold before needing to report: aggregate expenditures of \$750 or more (matching a federal law)
- Communications referring to a clearly identified candidate who will appear on the ballot, or to a political party
- Communications published and disseminated to the relevant electorate within 30 days before a primary election or 60 days before a general election

Exceptions

- 501(c)(3) organizations
- Debates and forums. Candidate debates or forums for state offices when all major political party candidates have been invited to participate
- Communications. Nonpartisan voter guides for state office that offer all major political party candidates a reasonable opportunity to be included; commercial communications, official publications p—e.g. SOS voter guide; and internal communications to members, stockholders, or administrative personnel

Conclusion

This bill does not limit speech; rather, it levels the playing field, since many organizations or committees already report their spending. It uses existing law and reporting mechanisms to treat campaign materials the same: if you spend money campaigning, you report it.

This bill will reduce the amount of “dark money” spent anonymously in Oregon. Our citizens, our voters, want to know where the money is coming from.

This bill does not limit free speech or regulate WHAT you can say.

This bill does not set limits on what you can spend.

It does not change the mechanics of how independent expenditures are reported.

It does only one thing: expands the definition of what should be reported during a campaign period.

It *is* about increasing transparency.

I ask for your Aye vote.