



Money in Politics Research Action Project

917 SW Oak St. #422, Portland, OR 97205 • (503) 283-1922 • Fax (503) 283-1877
miprap@oregonfollowthemoney.org • www.oregonfollowthemoney.org

The goals of the Money in Politics Research Action Project (MiPRAP) are to increase access, accountability, and participation in politics and governmental decision-making. Campaign finance reform can be an important tool to help reach these goals.



MiPRAP has provided advice to organizations on both sides of Measures 46 and 47. MiPRAP recognizes that the contribution limits strategy emphasized in these measures can be a complementary policy to future adoption of public financing, a MiPRAP priority. While MiPRAP remains neutral on Measures 46 and 47, we offer this guide to assist voters this November. A more detailed analysis of both measures is also available at www.oregonfollowthemoney.org

Measure 46: Amends Constitution: Allows Laws Regulating Election Contributions, Expenditures Adopted By Initiative or 3/4 of Both Legislative Houses

Policy Issue	Pros	Cons	Other Considerations
<p>The amendment allows Oregonians, through a ballot initiative or a super-majority vote of the legislature, to broadly limit both contributions and expenditures in any election.</p> <p>(A constitutional amendment is necessary due to a previous ruling by Oregon Supreme Court.)</p>	<ul style="list-style-type: none"> ➤ Open-ended range of options might allow for a future test case on federal level. ➤ The regulations could be in place for the widest range of elections. ➤ Voters retain more control over the regulations when either they or a super-majority of legislators must approve contribution and expenditure limits. ➤ The super-majority requirement hinders the legislature from overturning or watering down reforms. 	<ul style="list-style-type: none"> ➤ Allowing expenditure limits is vulnerable on federal constitutional grounds. ➤ Allowing regulation of ballot measure campaigns and election-related issue advocacy eliminates Oregon constitutional protections, leaving only the option of federal First Amendment challenges. In general, the “any election” language may be overly broad. ➤ The high bars for changing campaign finance regulations make it very difficult to fix unintended consequences. 	<p>The U.S. Supreme Court has upheld the constitutionality of limits to contributions to candidate campaigns. Bans on corporate and union treasury campaign contributions have also been held constitutional as long as these organizations can form PACs.</p> <p>The U.S. Supreme Court has overturned limits on candidate campaign expenditures as well as limits on independent expenditures by individuals.</p>

For more detailed analysis of Measure 46 go to www.oregonfollowthemoney.org



Measure 47: Revises Campaign Finance Laws: Limits or Prohibits Contributions and Expenditures; Adds Disclosure, New Reporting Requirements

Policy Issue	Pros	Cons	Other Considerations
Comprehensive package of reforms.	The all-encompassing nature of the reforms proactively anticipates potential loopholes and provides stringent limits on the flow of money into politics.	The all-encompassing nature of the reforms may be too complex, making compliance difficult and inviting lawsuits. Likely legal challenges undermine public confidence in our ability to take any reform action. Fixing anticipated loopholes in advance may result in unnecessary restrictions that unduly hinder political speech.	<ul style="list-style-type: none"> ➤ Reformers face the classic public policy question: is it better to eat the whole reform apple or to tackle the issue bite by bite? ➤ Does the likelihood of some key provisions being overturned result in a lopsided set of reforms that might do more harm than good?
<ul style="list-style-type: none"> ➤ Bans corporate and union contributions and PAC-to-PAC transfers. ➤ Creates relatively low limits on individual and PAC contributions. ➤ Allows small-donor PACs to give unlimited contributions. 	Encourages candidates and interest groups to focus on raising campaign contributions from individuals.	May take so much money out of politics that candidates and interest groups do not have adequate resources to communicate with voters.	<ul style="list-style-type: none"> ➤ No other state bans PAC-to-PAC transfers, although 14 states limit them. This could invite a federal constitutional challenge. ➤ Federal litigation over other limits may occur, but Measure 47 will likely withstand those challenges given a recent U.S. Supreme Court ruling.
Individuals can only make limited independent expenditures and candidates face limits to what they can contribute/ loan to their own campaign.	<ul style="list-style-type: none"> ➤ Diminishes inequalities in personal wealth between candidates. ➤ Proactively addresses ways in which some may try to avoid contribution limits. 	<ul style="list-style-type: none"> ➤ Not likely to pass constitutional muster on First Amendment concerns. ➤ Limits ability of individuals to band together in political nonprofits to make independent expenditures. 	<ul style="list-style-type: none"> ➤ Requirement to display information about self-financing on political ads could invite constitutional challenge. ➤ Will possible overturning of limits on independent expenditures by individuals result in more or less level playing field?
Effects on political nonprofits	<ul style="list-style-type: none"> ➤ Proactively addresses ways in which some may try to avoid contribution limits. ➤ Encourages creation of “small donor” PACs. ➤ Emphasizes role of small contributions. 	<ul style="list-style-type: none"> ➤ To retain right to make independent expenditures, political nonprofits cannot accept any contribution over \$500. ➤ It may be difficult to establish “small donor” PACs due to \$500 per year limit on use of non-PAC dollars for administration. 	Restrictions on electioneering are stricter than current IRS regulations. In general, there is uncertainty about how the measure’s definition of political nonprofits dovetails with IRS definitions.
Effects on political parties and leadership caucuses through limits on PAC-to-PAC contributions and contributions to party PACs.	Limits reinforce goal of encouraging candidates to raise contributions from broad base of individuals.	Weakens political parties, which can play an important role in helping good candidates run and win.	<ul style="list-style-type: none"> ➤ The four caucus leadership PACs are not party committees and therefore are subject to lower limits. ➤ No other state bans PAC-to-PAC transfers.

For more detailed analysis based on the Measure 47 Explanatory Statement go to www.oregonfollowthemoney.org