

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Erin Seiler, Administrator

Meeting Dates: 4/21, 6/25

WHAT THE MEASURE DOES: If Senate Joint Resolution 5 is approved by people at 2016 general election, sets \$2,600 limit on aggregate contributions by individual to candidate or political committee during calendar year; and \$5,000 limit on aggregate contributions by political committee to candidate or political committee during calendar year. Limits pass thru contributions from one candidate to another candidate or political committee to \$2,600 in calendar year. February of each odd-numbered year, the Secretary of State shall adjust the limits based on changes in the Consumer Price Index. Provides for civil penalties. Becomes operative July 1, 2017.

ISSUES DISCUSSED:

- Influence of money on politics
- Relationship between free speech and campaign spending
- Efforts to amend Oregon Constitution
- Amount of money in politics
- Method for establishing limits on campaign finance contribution

EFFECT OF COMMITTEE AMENDMENT:

-2 amendment: Replaces original measure. Establishes 9-member Task Force on Campaign Finance Reform (Task Force). Specifies membership, charge and reporting requirement. Identifies Committee Services Office of Legislative Administration Office to provide staff support for Task Force. Declares emergency, effective on passage.

-3 amendment: Replaces original measure. Establishes 17-member Task Force on Campaign Finance Reform (Task Force). Specifies membership, charge and reporting requirement. Identifies Committee Services Office of Legislative Administration Office to provide staff support for Task Force. Declares emergency, effective on passage.

BACKGROUND: Senate Joint Resolution 5 amends the Constitution to allow campaign finance regulation; Senate Bill 75 is the companion measure that would provide the establishment and actual regulation of campaign finance regulation. Currently, Oregon is one of four states with no limits on contributions and there are seven states with minimal contribution limits; these states limit or prohibit contributions by corporations and unions to candidates, but contributions from all other sources are unlimited.

The Oregon Supreme Court has found that limits on contributions to political campaigns generally violate the Oregon Constitution. The Oregon Supreme Court looked at contribution limits for the first time when reviewing Ballot Measure 9 (1994). The measure limited campaign contributions by individuals and political action committees (PACs) in legislative and statewide races. In *VanNatta v. Keisling*, 324 Or. 514; 931P.2d 770 (1997), the Court found that campaign contributions are a form of speech protected by the Oregon Constitution and that the state Constitution would have to be amended to allow any contribution limits. In 2012, the Court considered the case of *Hazell v. Brown* regarding the implementation of campaign contributions that were adopted in Ballot Measure 47 (2006). The proponents argued that the campaign finance limits were duly passed by the voters, and so it should be enforced unless and until a court strikes it down as unconstitutional. The Secretary of State and the Attorney General determined back in 2006 that since Ballot Measure 46, the constitutional amendment to allow the legislature or the people to create limits on campaign contributions and spending by enacting a statute, did not pass, the statutory

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This summary has not been adopted or officially endorsed by action of the committee.

limitations would not be enforced. The Court concluded that the campaign finance limits were inoperative and that according to the plain text of the measure itself, the limits were dormant.