

## TESTIMONY ON SB 1018

Daniel Meek

Senate Committee on Campaign Finance Reform

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I submit this testimony on behalf of Honest Elections Oregon and the Oregon Progressive Party and Independent Party of Oregon.

I hope that SB 1018 is considered a vehicle to be amended with substantive disclaimer requirements. If so, I suggest adoption of the same language that over 87% of Portland voters approved in November 2018. Included below is a faithful version of that language, modified to apply to all candidate elections in Oregon.

If SB 1018 is not considered a vehicle for the addition of substantive disclaimer requirements, then it is not meaningful. First, it does not require that any communication identify either its sponsor or its funders. Thus, it cannot have the salutary effect of the mandatory taglines required in California and Washington. For example, when Chevron, Inc. in 2014 recruited its own candidates for the mayorship and city council of Richmond, CA (a city of about 120,000 people) and spent over \$3 million promoting those candidates and denigrating their opponents, their communications had to state that major funding was provided by Chevron, Inc. The result was that all of its candidates lost decisively.

Second, SB 1018, as introduced, requires only a disclaimer that "This independent message was paid for and produced without the knowledge, consent or cooperation of any candidate." This does not enable voters to judge the credibility of the messages by knowing its source or funders. In fact, I would think that this disclaimer would be viewed positively by most voters: "Good, this ad came from an independent source and not from a politician."

Here is the amendment I suggest.

**Section 1. Timely Disclosure of Large Contributions and Expenditures.**

- (1) Each Communication to voters related to a candidate election shall prominently disclose the true original sources of the Contributions and/or independent expenditures used to fund the communication, including:
  - (a) The names of any political committees and other entities that have paid to provide or present it; and
  - (b) For each of the five dominant contributors providing the largest amounts of funding to each such political committee or entity in the current election cycle:
    - (A) The name of the individual or entity providing the contribution.
    - (B) The types of businesses from which the maker of the contribution has obtained a majority of income over the previous 5 years, with each business identified by the name associated with its 6-digit code of the North American Industry Classification System (NAICS).
  - (c) For each of the largest five dominant independent spenders paying to provide or present it:
    - (A) The name of the individual or entity providing the independent expenditure.
    - (B) The types of businesses from which the maker of the independent expenditure has obtained a majority of income over the previous 5 years, with each business identified by the name associated with its 6-digit code of the North American Industry Classification System (NAICS).
- (2) If any of the five largest dominant contributors or dominant independent spenders is a political committee (other than a small

donor committee) or nonprofit organization, the prominent disclosure shall include its top three funders during the current election cycle.

- (3) The disclosure shall be current to within ten (10) days of the printing of printed material or within five (5) days of the transmitting of a video or audio communication.

## **Section 2. Definitions.**

Unless otherwise indicated by the text or context of this Article, all terms shall have the definitions at Chapter 260 of Oregon Revised Statutes.

- (a) "Communication" means any written, printed, digital, electronic or broadcast communications but does not include communication by means of small items worn or carried by individuals, bumper stickers, small signs, or a distribution of five hundred (500) or fewer substantially similar pieces of literature within any 10-day period.
- (b) "Dominant contributor" means any individual or entity which contributes more than one thousand dollars (\$1,000) during an election cycle to a candidate committee or political committee.
- (c) "Dominant independent spender" means any individual or entity which expends more than one thousand dollars (\$1,000) during an election cycle to support or oppose a particular candidate.
- (d) "Entity" means any corporation, partnership, limited liability company, proprietorship, candidate committee, political committee, or other form of organization which creates an entity which is legally separate from an individual.
- (e) "Individual" means a citizen or resident alien of the united states entitled to vote in federal elections; however, when this article expresses a limitation or prohibition, "individual" means any human being.
- (f) "Prominently disclose" means that the disclosure shall be readily comprehensible to a person with average reading, vision, and hearing faculties, with:

- (A) any printed disclosure appearing in a type of contrasting color and in the same or larger font size as used for the majority of text in the printed material;
  - (B) any video disclosure remaining readable on the regular screen (not closed captioning) for a not less than 4 seconds;
  - (C) any auditory disclosure spoken at a maximum rate of five words per second;
  - (D) any website or email message in type of a contrasting color in the same or larger font size as used for the majority of text in the message;
  - (E) any billboard or sign other than a small sign: in type of a contrasting color and not smaller than 10 percent of the height of the billboard or sign.
- (g) "Small donor committee" means a political committee which has never accepted any contributions except from individuals in amounts limited to one hundred dollars (\$100) per individual contributor per calendar year.
- (h) "Small sign" means a sign smaller than six (6) square feet.