

1 **IN THE CIRCUIT COURT OF THE STATE OF OREGON**
2 **FOR THE COUNTY OF MULTNOMAH**

3 In the Matter of: Validation Proceeding to
4 Determine the Legality of City of Portland
5 Charter Chapter 3, Article 3 and Portland
6 City Code Chapter 2.10 Regulating
7 Campaign Finance and Disclosure.

Civil No. 19CV06544

**DECLARATION OF
JEFFERSON SMITH**

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9
10 I, Jefferson Smith, declare:

- 11
- 12 1. I served 2 terms in the Oregon House of Representatives during the years
13 2009-2012, winning election in 2008 and 2010. It was a deep honor to
14 serve, and to serve with so many wonderful people.

 - 15 2. I ran for Mayor of Portland in 2012, finishing second in both the primary
16 and general elections. It was an honor to receive support from many
17 Portlanders.

 - 18 3. While I was serving in the Oregon Legislature, I had a conversation with a
19 lobbyist about whether more off-reservation casinos should be authorized. I
20 explained my view: I stood for the Kitzhaber position, which was that each
21 tribe could have one casino on its reservation and no more. The lobbyist
22 responded to the effect: "Good. Because I want to give you \$2,000. And if
23 you turned around and voted for off-reservation casinos, I'd get fired!"

 - 24 4. The following thought occurred to me: If I deposit that check into the
25 campaign account, did I just make a binding contract? I did not deposit the
26 check.

1 5. During my service in the Oregon Legislature, a lobbyist representing
2 billboard owners asked for my vote to allow the erection of digital
3 billboards along Oregon highways. I voted "no" on the bill in committee.
4 Some months later, the same lobbyist, who represented many other clients
5 as well, invited me to drinks. He told me that he was directing all his
6 clients not to donate to my campaign, because I had voted against him on
7 digital billboards as well as one other issue two years prior to that.

8 6. These two incidents illustrate what too often appears to be the *quid pro quo*
9 nature of political campaign contributions in Oregon--particularly with
10 organizations whose financial interests are impacted directly by votes of the
11 Legislature. Those who offer the contributions often expect something
12 concrete in return, such as a vote on a particular bill or a position on a
13 particular issue. The candidate often understands that expectation and
14 knows that the contributions will cease, if the expectation is not met. The
15 campaign contribution is the only financial transaction I'm aware of after
16 which both parties insist nothing has changed. That is, of course, absurd.

17 7. During my years at the Oregon Legislature, every member of the majority
18 Caucus was expected to pay "dues" to the Caucus campaign committee in
19 the form of money from the Representative's campaign account. Oregon
20 law allows unlimited transfers of funds to any political committee. Those

1 who expected leadership positions within the Caucus or Committee Chair
2 positions in the Legislature were expected to contribute at higher levels.

3 8. At the time of my service in the Oregon House of Representatives, the
4 "dues" expected from each member was a minimum of \$25,000. Members
5 serving in majority Caucus leadership, as I was honored to do, were
6 expected to pay "dues" of over \$60,000. The highest ranking members of
7 leadership were expected to contribute well over \$100,000. As campaign
8 costs have escalated, these "dues" have increased.

9 9. After the first campaign, friends and family get tapped out. Members must
10 then rely more and more on corporate lobbyists for the necessary funds. As
11 members of the Legislature gain seniority and ascend the ladder of Caucus
12 leadership, they build closer relationships with lobbyists and their clients.
13 The impression this builds is that members progressively favor the views of
14 those who support their seniority.

15 10. In my first session of the Legislature, a more conservative colleague advised
16 me to call the leaders of the corporate lobby and make clear, "If you don't
17 give me large contributions, you won't have my voice in the caucus
18 meetings." This was not in the context of helping me in a contested race
19 for election (I had already won) but in the context of helping me build
20 influence within the Caucus. After all, I had to raise a lot of money to pay
21 the Caucus "dues."

- 1 11. The largest campaign contributors were referred to as "partners" by
2 legislative leadership. The views of "partners" were made very clear at
3 Caucus policy discussions.
- 4 12. Campaign contributions are sometimes given to candidates that the
5 contributor actually opposed for election. These are called "make up
6 money." These are campaign contributions typically from a corporate
7 lobbyist who had just supported the recently defeated opponent of the new
8 recipient of the campaign contribution.
- 9 13. A typical case: In a contested race, a very common scenario is that the
10 corporate lobbyists will donate to the Republican, their top preference.
11 Then, if the Democrat wins, the same corporate lobbyists will give new
12 campaign contributions to the victorious Democrat. Obviously, the second
13 round of contributions are not expressions of support for the Democrat in
14 the election. They are means to curry favor with candidates who have
15 already been elected.
- 16 14. I have talked to many constituents who believed that large political
17 contributions purchased results in the Legislature. There was a frequent
18 perception among voters of soft bribery in the political process.
- 19 15. Fundraising is not evil; nor is making donations. I believe in fundraising; I
20 have raised millions of dollars for campaigns and causes I believe in. I
21 believe the campaign contribution and the nonprofit contribution are

1 generous and benevolent ways of participating in community and
2 democracy. I remain grateful for every contribution I've ever received.
3 That very gratitude can build relationships and engender a deep-seated sense
4 of reciprocity. And it is also clear that the larger the contribution, the larger
5 the potential expectation.

6 16. People are operating within the rules. They are doing what they can and
7 even must within those rules to win elections and build influence. If we
8 want to reduce the element of exchange and the impression of buying and
9 selling influence, we need to change the rules.

10 **I hereby declare that the above statement is true to the best of my**
11 **knowledge and belief, and that I understand it is made for use as evidence in**
12 **court and subject to penalty for perjury.**

13
14 Dated: May 7, 2019

15
16 */s/ Jefferson Smith*

17
18 _____
19 Jefferson Smith

20 Signed in Portland, Multnomah County, Oregon
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