

Holding Power Accountable

To: House Rules Committee

From: Kate Titus, Common Cause Oregon

Re: HB 2680, Contribution Limits

Date: May 13, 2021

Common Cause

Common Cause is a nonpartisan organization that works for open, honest, accountable government. We are over 1.5 million Americans – including roughly 30,000 Oregonians – working together to realize the unfinished promise of democracy.

Common Cause Opposes HB 2680

As proposed, HB 2680 would not effectively rein in the influence of big money on our democracy. Among the exploitable loopholes, I'd like to draw the committee's attention to these 3:

• <u>Small Donor Committees</u> => *Use only for actual small contributions.*

This bill allows membership organizations to operate as if they were small donor committees, while instead, essentially turning them into Super PACs that can pass through big money from any source, a provision which eviscerates the underlying goal of a truly small dollar democracy. Letting membership organizations or anyone else put anything other than actual small contributions into a Small Donor Committee creates a loophole that anyone can ultimately use. No one should be able to pass through money from other sources, passing it off as small contributions. That undermines the very definition of a Small Donor Committee.

• <u>C4s & Membership Organizations</u> => Exempt activities, not organizations.

If legislators want to grant exceptions for money spent on certain types of civic engagement activities, we recommend doing so explicitly and sparingly, not by exempting wholesale specific types of organizations. For example, organizations exempt from taxation under section 501(c)(4) of the federal tax code are permitted by tax law to engage in the same exact expressly partisan activities that candidates, SuperPACs and other political committees do (though such activities may not be a 501(c)(4) organization's primary activity). We should not create a way for any organizations — even those with public interest missions — to become the new SuperPACs by exempting them wholesale from Oregon's contribution limits. If we maintain a system that can still be dominated by money, then it will be, and the monied interests on all sides will learn to use their money advantage in that system.

• Small Dollar Public Financing => Use public funds only to empower small-dollar campaigns.

The purpose of using public funds to finance elections is to enable candidates to run competitive campaigns, without relying on any big money. In exchange for public funds, candidates should be required to agree to stricter rules. As written, this bill flips that principle on its head, enabling candidates to have it both ways. As such, it undermines the purpose and effectiveness of public financing. Don't misuse public dollars to reenforce a big-money system. That's a breach of public trust.

We urge the committee to oppose this bill.