

Memorandum

To: Multnomah County Charter Review Committee

Date: July 6, 2016

From: Steve March, PhD, Multnomah County Auditor

Re: Campaign Finance Reform, "Honest Elections Charter Amendment" proposal

While I support the concept of avoiding government corruption, and indeed our office has a Good Government Hotline to report fraud waste and abuse, I believe the "Honest Elections" proposal and supporting documents are in and of themselves, 1) misleading & misdirected; and 2) not thoroughly formulated and potentially extremely costly to the County.

1 – Misleading & Misdirected – Much of the discussion in the supporting document, "Honest Elections Charter Amendment for Multnomah County," discusses Oregon as a state, with an emphasis on campaigns for the Legislature being more expensive than any state besides New Jersey, with the top Senate candidates spending reaching \$750,000. That is a lot of money for districts that average about 77,000 registered voters, almost \$10 per registered voter. The House is even worse when measured by the top races at \$684,000, or over \$17.75 per registered voter. Certainly legislative campaign spending is an issue, but that ire is misdirected at Multnomah County. While the May of 2014 Chair race wasn't cheap, in April of 2014 there were 437,501 registered voters on the rolls in the County. The \$466,000 reportedly spent by Chair Kafoury actually works out to just under \$1.07 per registered voter. The document also states, "This year candidates for Commissioner seats have spend [sic] up to \$153,000 to influence ¼ of Multnomah County voters;" a quarter of Multnomah County's 464,521 registered voters as of April of 2016 would be 116,130 registered voters, or less than \$1.32 per registered voter. Certainly the real issue is with the State races rather than with the County races.

2 – Not fully formulated and potentially extremely costly. The "Honest Elections Multnomah County Charter Amendment" dated June 2, 2016, requires implementation by ordinance and requires "each violation" to be penalized by "imposition of a civil fine." It is somewhat unclear whether Multnomah County candidates and the "Small Donor" Committees would file their contributions and expenditures with the Secretary of State or with Multnomah County, but in either case it anticipates a review of both candidate spending and small donor committees, which requires significant resources which are not addressed in any of the materials. Imposing civil fines anticipates a quasi-judicial process which in turn would necessitate the ability to appeal; again some potential costs that are not addressed. While the Auditor's Office is mentioned in the supporting document, it is not mentioned in the proposal and the Board could conceivably choose a different entity to enforce the limits set forth.

Finally, the memo from the Subcommittee addresses the real targets of this proposal in the paragraph titled, "If it gets challenged, that is a good thing." It discusses the Oregon State Supreme Court decision from 1997 (*Vanatta v. Keisling*) invalidating 1995's Measure 9's contributions limits which equated contributions with free speech under the Oregon Constitution. Also mentioned is the U.S. Supreme Court's *Citizens United* case, and suggesting Multnomah County take on these two decisions. Those are the real, and expensive, targets of this proposal. Certainly those campaign finance rulings are worthy targets, but the County shouldn't be used as the tool for that fight and shoulder the cost of it either.