

# The Reform Reporter

Democracy Updates and Research for The Rest of Us



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## HIGHLIGHTS

- Triple Play Reform in OH
- VT may reign Supreme
- Portland goes clean!
- FL raises spending limit
- Texas reform stalls
- Redistricting moves in FL and CA
- Senators fumble on 527s



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## Oregon Reform Advances

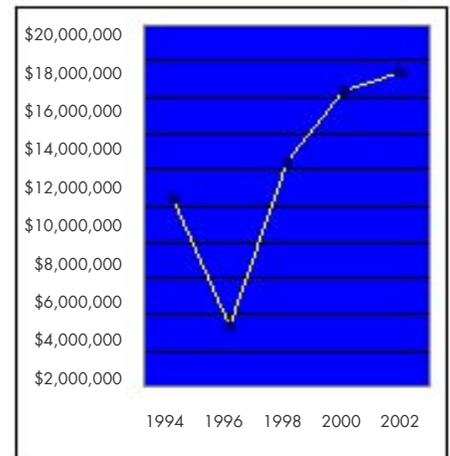
A stalwart group of citizens have filed two campaign finance reform measures for the November 2006 ballot. The first, Petition 8, would amend the Oregon Constitution to allow for contribution limits; the second, Petition 37, would establish some of the toughest limits in the country.

In 1994, Oregon voters enacted Measure 9 with 72 percent of the vote. It set \$100 limits on contributions to legislative races. A report by the Oregon Secretary of State found that in the 1996 elections, "candidates were able to raise significant contributions under the \$100 limit." Contributions from corporations and labor unions declined, while the amount contributed by individual Oregonians to legislative candidates in the general election nearly doubled that of 1992 - \$1,383,972 to \$723,325. The report concluded that "it is likely that more Oregonians made contributions to legislative candidates than at any previous election." Some \$1.8 million moved outside of candidate's control into independent expenditures, aggravating both candidates and their political consultants.

In 1997, the Oregon Supreme Court struck down most of Measure 9. The Justices argued that Oregon's Constitution was different than the U.S. Constitution, which the U.S. Supreme Court has ruled allows limits on campaign contributions. No other state court has taken such an extreme position in defense of big money in politics. So, Oregonians must first overrule their own Supreme Court.

To prevent incumbents from gutting

### Total \$ Contributed to Oregon House and Senate Candidates



any campaign finance law, Petition 8 requires the legislature to produce a 3/4 vote to alter or amend campaign finance laws. Arizona, California, Arkansas, Michigan, and South Dakota have similar provisions that protect citizen initiatives from repeal by the legislature.

To abide by Oregon's single subject requirement, proponents are putting the details of the reform package into the separate statutory initiative - Petition 37. It includes:

- A ban on corporate and labor union contributions to candidates, parties, and electioneering campaigns;
- Individual contribution limits of \$100 for legislative races, \$500 for statewide races, and an aggregate contribution limit of \$2,500 to all candidates, parties, and political campaign organizations;
- Small donor committees that can contribute only as much money as they raise in contributions of \$50 or less;

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Derek Cressman, Director

## A Majoritarian Filibuster

The Senate showdown over filibusters to block judicial nominations is bringing out the worst features of American partisanship. Republicans claim that President Bush's historically thin re-election margin gives him a mandate to appoint right-wing ideologues to lifelong positions in federal courts. Democrats argue that Senate "tradition" means that any 41 Senators should be able to block the clear majority by preventing nominations from even coming to a vote. The rest of us can only shake our heads in dismay.

Democracy means nothing less than majority rule. Any parliamentary trick that allows a political minority to block action wanted by the majority is not only anti-democratic, it's dangerous. We live in an age where government simply must address serious problems like the federal budget deficit, skyrocketing health care costs, and a failing education system. If minorities can forever block action, we run the risk of bankrupting future generations, being unable to care for our sick, and not teaching future generations how to solve the mess we've left them.

But the filibuster, which requires 60 Senate votes in order to cut off debate

and bring an issue to a vote, does not always lead to minority rule. Because the makeup of the Senate does not reflect America's population, sometimes 41 Senators actually represent a majority of Americans. In fact, the 40 Senators from the largest twenty states collectively represent 75% of the voting age population. Twenty of these Senators are Democrats, and twenty Republican. It is completely consistent with democracy for these Senators to block action by the others who do not actually represent a majority.

Rather than going nuclear and shutting down the Senate, the two parties should agree that whenever enough Senators support a bill to represent a majority of Americans, it should be brought to a vote.

Even judicial nominees, no matter how extreme, deserve an up or down vote. However, in order to ensure that the judiciary fulfills its proper role as an interpreter of laws, not a creator of laws, judges should only be confirmed if they have at least two-thirds support in the Senate. This would ensure that judges have bipartisan support and would reduce the number of activist judges on either side.

Ideally, both parties would agree to this commonsense approach to the Senate rules. But if they don't, Democrats could adopt this system on their own. The forty-four Democrats in the Senate represent 49.6% of the voting age population of America. If Independent Jim Jeffords and any one Republican Senator joined all the Democrats, that group would represent a majority of the country. Forty of these Senators could use the existing, flawed, filibuster rule to prevent a vote on any bill that was not backed by Senators who represent a majority of Americans.

Forty Democrats could similarly block votes on judicial nominees who lack supermajority support of two-thirds of the population.

This calculus disregards the traditional role of the Senate, which was not to represent the population but to represent the artificial territorial lines that we have divided America up into – the states. While this tradition served some purpose during the great compromise more than 200 years ago that allowed the thirteen colonies to join into the United States, it is high time we moved past this anti-democratic feature of American government.

By following these self-imposed rules while in the minority, Democrats would be in a strong position to institutionalize these rules if they win back control of the Senate. Further, they would gain credibility with ordinary voters by adhering to rules that are fair. This would be a far better posture in the filibuster debate than simply relying on anti-democratic traditions.

## Cutting Edge Oregon Reform

*(continued from page 1)*

■ Limits on the amount that one wealthy person can spend on their own candidacy or in an independent expenditure that attacks or promotes other candidates.

The full text of these initiatives can be found at [www.therestofus.org/oregon](http://www.therestofus.org/oregon)

While the vast majority of Petition 37's provisions have already been found constitutional by various federal courts, the proponents may face legal challenges against the provisions that limit wealthy donors' contributions to their own campaigns or for independent expenditure campaigns. The proponents believe that these limits are critical to prevent evasion of the basic contribution limits. Proponents

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## ALABAMA

A bill that would have required nonprofit organizations to disclose their source of funding for buying advertising to influence an election or a referendum died in the state Senate. A version of the bill that passed through the state House had prompted a filibuster in the Senate, eventually leading to the bill's demise.



## ARIZONA

The Arizona Clean Elections Commission voted to remove Rep. David Burrell Smith from office for violating the spending limit for candidates who receive public financing under the state's Clean Elections law. While some ambiguity existed as to the exact amount by which Burrell Smith had overspent the limit, a conservative estimate is that he overspent the \$34,600 limit by some \$6,000, nearly 20% over the limit. Arizona's Clean Elections law requires the removal from office for any candidate who overspends the limit by more than 10%. The Commission also ordered Burrell Smith to repay the \$34,600 he received in public financing and to pay a \$10,000 fine.

Burrell Smith, a lawyer, has claimed that he misallocated the \$6,000. Despite his promise to abide by the law's spending limits when he applied for the public money, he is contesting the Commission's ruling, and has promised to "take that dagger and stab it through Clean Elections' heart." As several editorials in Arizona newspapers have pointed out, without strong enforcement, the Clean Elections law's system of incentives falls apart. Candidates could get the benefits of clean money, then outspend their opponents with private money to get into office, all

without ramification serious enough to discourage the offense.



## ARKANSAS

Arkansas Governor Mike Huckabee signed into law HB 1770, allowing citizens and military personnel living overseas to vote using ranked voting. Ranked voting, also known as Instant Run-off Voting, allows voters to rank their preferences. If their first selection gets the fewest votes of all the candidates, their vote goes to their second selection in the next round. If that selection gets the fewest votes in the second round, then their vote goes to their third selection, and so on. The voting continues until one candidate gets a majority of the votes. It is especially useful for overseas voters, who in the case of run-off elections often don't get and return the ballots in time for their vote to count.



## CALIFORNIA

TheRestofUs.org filed a civil suit in Sacramento County Superior Court on March 15 seeking to stop the illegal fundraising and coordination by Governor Schwarzenegger and his various committees. The so-called Citizens to Save California (CSC), a committee created and staffed by Schwarzenegger operatives to pursue the Governor's ballot agenda, has violated the limit on candidate-controlled committees with at least 77 donations of more than \$22,300, of which 21 were in amounts of \$100,000 or more, including three donations for a total of \$715,000 from Governor Schwarzenegger's own California Recovery Team.

The suit was effectively put on hold pending the appeal in the case mentioned immediately below. CSC continues to fund advertising and events

promoting Governor Schwarzenegger and his initiative agenda.

\*

On March 25, a Sacramento County Superior Court judge struck down Fair Political Practices Commission regulation 18530.9, which applied candidate limits to the committees they control. The regulation was passed in June 2004 after Lt. Governor Cruz Bustamante and Governor Arnold Schwarzenegger used ballot committees to evade the state's contribution limits for gubernatorial candidates. The FPPC has appealed the decision, in which the judge expressed her inability to discern how unlimited contributions to a ballot committee controlled by a candidate could possibly raise the specter of corruption or the appearance thereof.

AB 709, a bill which places a uniform \$5,000 limit on contributions to all the ballot committees controlled by a candidate for any state office, passed through the Assembly Elections and Appropriations Committees. AB 709 goes even farther than the stricken FPPC regulation by applying the limit in aggregate to all the ballot committees a candidate controls.

\*

The Senate elections committee advanced a bill which would bar the Secretary of State from endorsing other candidates or ballot measures or serving as an officer in a political party or organization. SB 11, by Senator Debra Bowen, would also bar contributions from makers of ballot counting equipment or software. The passage of SB 11 through committee effectively killed a separate proposal to prevent candidates for Secretary of State from using party labels on the ballot.



## CONNECTICUT

A series of campaign finance proposals

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moved through the legislature. Both the state Senate and House are considering campaign finance packages which include lower limits for gubernatorial candidates and a system of public financing of elections. Governor Jodi Rell, who took over from convicted felon and former governor John Rowland when he left office, has not officially declared her support or opposition to the public financing provisions.

\*

A federal lawsuit against the state by a coalition including Connecticut Public Interest Research Group, Connecticut Common Cause, and the Connecticut Civil Liberties Union reached the trial stage in April. The groups contend that Connecticut's requirement that voters must register at least two weeks before an election disenfranchises voters energized in the waning days of a campaign. The Secretary of State, who is listed in her official capacity as the defendant in the case, is a supporter of Election Day registration, which already exists in the following six states: Idaho, Maine, Minnesota, New Hampshire, Wisconsin, and Wyoming. Connecticut's computerized database of voters allows the state to verify voters' eligibility on Election Day, assuaging any concerns of voter fraud.

## DISTRICT OF COLUMBIA

Virginia Rep. Tom Davis reintroduced his proposal to expand the House of Representatives to 437 members, giving D.C. a House member and maintaining partisan balance by adding a seat in Republican-dominated Utah. A similar bill failed to get out of committee last year. The 570,000 American citizens who live in the District of Columbia have no voting representation in Congress.

Inspired by the disenfranchised Americans living in the nation's capital, a group of folks has started a grassroots

movement to name the playing field for the new Washington Nationals baseball team the Taxation Without Representation Field (at RFK Stadium). Rights are expected to cost somewhere around \$2 million per year for each of the three years the Nationals are slated to play at RFK.



## FLORIDA

A bipartisan signature-gathering effort is underway to place before the voters a constitutional amendment that would take the power to draw congressional and legislative districts out of the hands of Florida's legislature and put it into the hands of a non-partisan redistricting commission. The effort, led by the Committee for Fair Elections, must collect 750,000 signatures to put the amendment on the 2006 ballot.

Under the current system, not a single incumbent in the Florida state legislature or in Florida's congressional delegation was defeated in 2004. Nearly three-fourths of the state legislative races had only one major party candidate.

Florida voters are better served by a system of drawing districts in which they choose their elected officials, not the other way around.

\*

The Florida House approved a bill that would quadruple the voluntary spending limits for candidates for governor and the Florida cabinet who accept public financing. The House passage requires the Senate to take up the measure, which raises the spending limit from \$5 million to \$20 million. Florida's public financing law allows candidates for governor and the cabinet to receive a dollar-for-dollar match for individual donations up to \$250 from Floridians.

Proponents, including Governor Jeb Bush (who won re-election in 2002 with

\$10.4 million), argue that the escalating costs for television ads necessitate the increase. The change would just be gas on that fire, exerting intense upward pressure on media prices, allowing television stations to make out like bandits and wealthy interests to strengthen their hold on Florida politics.

\*

The Florida Legislature continued its attack on the power of citizens to make themselves heard through the initiative process. The Senate Judiciary Committee passed SB 1996, a bill of doubtful constitutionality that would prohibit the payment of signature-gatherers "directly or indirectly" on a per-signature basis. Supported by the Florida Chamber of Commerce, the bill would deprive many grassroots organizations of a valuable organizing tool for getting measures onto the ballot and passed.

The House passed three constitutional amendments designed to make it more difficult to place initiatives on the ballot. HJR 1723 would require 60 percent of the voters to ratify any subsequent constitutional amendment, even though the bill itself has a lower threshold; HJR 1727 would limit initiatives to a narrow range of fundamental issues; HJR 1741 would require a two-thirds vote to approve any amendment that would levy or raise a tax or cause significant spending.

\*

Miami-Dade County Commissioners are discussing whether to continue the county's system of public financing of elections for mayoral and county commission candidates. Miami-Dade Mayor Carlos Alvarez said he would "absolutely" veto any commission effort to kill the voter-approved county ordinance, but that the enforcement provisions of the law might need to be tightened. Alvarez said public funding allowed him to bypass the special interest groups and still run a county-

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wide campaign.



## GEORGIA

Just prior to midnight on the last day of the legislative session, the legislature passed what Governor Sonny Perdue called the “strongest ethics package Georgia has ever seen.” The bill had been bogged down by a conflict between the House, which wanted a watered-down-to-nothing version, and the Senate, which preferred an ethics bill closer to that favored by Governor Perdue. Eventually the Senate caved, and the people of Georgia got what is one of the weakest ethics packages the rest of us have ever seen.

*What the bill did:*

- Raised the amount corporations can give without disclosure from \$5,000 to \$25,000;
- Transferred investigation of legislative ethics complaints from the independent ethics commission to the newly created bicameral panel of legislators, which will conduct its investigations in secret;
- Prohibits elected officials from lobbying for one year after they leave office;
- Bars lobbyists from serving in office for one year after they stop lobbying.

*What the bill didn't do:*

- Limit lobbyist gifts to elected officials (Perdue unsuccessfully lobbied for a \$50 limit – maybe he should have given more gifts to the legislature to help grease the skids for this bill);
- Include citizens in the newly formed secretive legislative ethics panel.

A coalition including GeorgiaPIRG and Georgia Common Cause worked hard to successfully defeat many ethics rollbacks that the House added to the bill. The final bill passed the Senate 51-0 and the House 160-1.

\*

Governor Perdue signed off on a mid-decade redistricting plan recently passed by the state legislature. Under the Voting Rights Act, the plan cannot take effect until it is approved by the U.S. Department of Justice. According to Perdue, the new plan creates seven safe congressional seats for Republicans, four safe congressional seats for Democrats, and two competitive congressional seats. Currently, Georgia's congressional delegation has seven Republicans and six Democrats.



## HAWAII

Two bills that would provide public financing for Hawaii elections advanced through the House and Senate before dying in conference committee. The House bill would have provided comprehensive public funding for candidates for governor, lieutenant governor, and prosecuting attorney who agree to abide by campaign contribution and expenditure limits and meet other criteria.

A similar bill in the Senate would have provided public financing for candidates for county prosecuting attorney, the state legislature, governor, and lieutenant governor.

Public financing bills also advanced last year in Hawaii, only to be killed by inaction in conference committees.



## ILLINOIS

The Illinois Supreme Court allowed newly elected justice Lloyd Karmeier to hear a case involving his biggest

contributor, ruling that the \$350,000 State Farm Insurance and its lawyers had given to Karmeier's election efforts did not constitute a conflict of interest.

State Farm Insurance had previously lost its appeal in the case before judge Gordon Maag of the Fifth Appellate District of Illinois, who had affirmed State Farm's liability for \$1.2 billion for the use of after-market parts in vehicle repairs. State Farm fought back by appealing Maag's holding and by giving some \$350,000 to Maag's opponent in his race for a seat on the state supreme court – Lloyd Karmeier.

The Karmeier/Maag race saw some \$9 million in spending. This, along with the State Farm story, served as a catalyst for the chief justice of the Illinois Supreme Court to convene a meeting of reformers, bar organizations, and supreme court justices to discuss reform of judicial campaigns. Those who seek justice from our courts instead of a deck stacked in favor of big campaign contributors hope the effort is fruitful.

## KANSAS

Leaders in the Kansas Legislature squashed a bipartisan attempt to require disclosure of the funding and spending for groups that do “issue advocacy” directed at candidates. Current Kansas law uses a “magic words” test, allowing such groups to target candidates with attack ads and mailings without any disclosure of who is paying for the ads, merely because the ads don't explicitly advocate the election or defeat of a candidate.

In other words, a group can send out mailings calling a candidate a deadbeat alcoholic scumbag and not have to disclose their funding. Or, as happened to Lawrence City Council candidate David Schauner in the week

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of the April 2005 election, a group can distribute postcards falsely implying that a candidate had battered his wife, and not have to disclose who funded the slimy attacks.

House Speaker Doug Mays said issue ads were an "issue for another session." After initial statements to the contrary by the chair of the state ethics commission, the commission found that one of the postcards (not the wife-beater postcard) against Schauner went so far as to no longer constitute issue advocacy.

## MASSACHUSETTS

Reformers are working with legislators to introduce a bill that would provide public financing for state legislative races. The bill would provide \$3 in state funds for every \$1 raised by candidates who abide by a spending limit and agree not to accept contributions above \$100.

In 1998, Massachusetts voters passed a Clean Elections bill by a 2:1 margin. Four years later, the Legislature put a nonbinding resolution on the ballot with the phrasing "taxpayer money for politicians" instead of "clean elections." Voters approved the resolution against taxpayer money for politicians 2:1, giving the Legislature cover to repeal the Clean Elections law the next year.

This history has led to an increased focus on nomenclature. One of the groups pushing for the public financing program, Mass Voters for Fair Elections, is currently holding a contest to name the new bill at [www.massvoters.org](http://www.massvoters.org).

## MICHIGAN

Michigan's out-of-date campaign finance laws allowed a massive amount of independent expenditures from undisclosed sources in the

2004 elections. Nonprofit watchdog Michigan Campaign Finance Network says about \$10 million of the \$18 million spent in the 2002 gubernatorial race went into advertising not disclosed in any public report. Problems with Michigan's current law have allowed "independent" committees to spend millions on "issue" ads that are no more than thinly veiled endorsements of one candidate or another; political action committees (PACs) to avoid restrictions on direct donations to political parties and candidates; and money swapping between like-minded groups at the national level to bypass state rules governing contributions.

## MINNESOTA

The Minnesota House narrowly passed an initiative and referendum bill that will allow the Minnesota public to vote directly on public policy issues. The House passed similar bills in 1999 and 2002, only to have the Senate reject the popular initiative both times. Governor Tim Pawlenty's strong support for the initiative process may make the difference this year in passing the bill in the Senate Rules Committee and on the Senate floor.

\*

Also, voting rights legislation was introduced in the House which would strengthen Minnesota's election day registration, require polling place challengers to receive two hours of training, and provide privacy for the information of those voters who fear their addresses may be used to find and harm them, like battered women or police officers.

\*

A coalition worked on the Fair And Clean Elections (FACE) bill that would 1) provide nearly full public funding to candidate, 2) provide matching funds to respond to independent expenditures, and 3) place contribution

limits on giving to political parties. It was introduced in both houses but was ultimately voted down.

## MISSISSIPPI

Campaign finance legislation focusing on disclosure failed to make it out of the legislature. The House version would have required disclosure on contributions to political action committees (PACs), while the Senate version limited its disclosure requirements to loans to candidates. A third proposal from Secretary of State Eric Clark would have allowed corporations to make unlimited donations to PACs as long as the contributions were fully disclosed.

Likely influencing any drafting of campaign finance legislation is Governor Haley Barbour's veto of a bill last year that would have required disclosure of PAC-to-PAC contributions and capped corporate contributions to PACs. Clark estimates that \$2 million has poured into Mississippi elections from unknown sources since 2000.

## MISSOURI

A bill was introduced in the House which would double the amount individuals can contribute to candidates. HB44 would allow contributions of \$2,000 to statewide candidates, \$1,000 to state senate candidates, and \$500 to state house candidates.

These limits are a far cry from the \$300 limits on contributions to statewide candidates passed by the voters of Missouri in 1994.

## MONTANA

A federal judge in Montana upheld the \$100 spending limit for candidates in student government elections at

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the University of Montana. The National Voting Rights Institute (NVRI) served as the University's co-counsel on the case. Other universities (including Colorado State University, Louisiana State University, and the University of Alabama) also have limits to ensure that wealthy students can't dominate student government by outspending their opponents.

Spending limits for candidates, first instituted by Congress in the wake of the Watergate scandal, were struck down soon after in the notoriously ill-considered Supreme Court case *Buckley v. Valeo* (1976). Since then, as the ability of wealthy interests to dominate elections in America has become increasingly apparent, the courts have begun to reconsider the wisdom of the constitutional analysis of *Buckley*, much as they did after anti-American decisions that upheld the poll tax and separate-but-equal education.

\*

Two bills died in the Montana Legislature which dealt with the way judicial campaigns are financed in the state. SB 319, which would have provided public financing for judicial candidates, came close to passing. Another bill which would have limited the amount individuals and groups could give to judicial candidates received less support and also failed.



## NEW JERSEY

The New Jersey Election Law Enforcement Commission (ELEC) deadlocked 2-2 on whether to allow gubernatorial candidate Doug Forrester to participate in two upcoming primary debates. The reason: because Forrester is largely bankrolling his candidacy with his own wealth instead of abiding by voluntary spending limits, it is unclear whether he meets the qualifying standard for the debate - \$300,000 raised in amounts

of \$3,000 or less for publicly financed candidates. The Commission eventually ruled that Forrester could participate, stating: "The policy of inclusion is paramount here."



## NEW MEXICO

After passing the House, a bill providing public financing for judicial campaigns was approved by the Senate Judiciary Committee, but failed to receive a vote on the Senate floor. While North Carolina is currently the only state with a system of full public financing for judicial elections, there is a movement in other states to provide similar programs.



## OHIO

TheRestofUs.org is working with the Reform Ohio Now Coalition to qualify three constitutional amendments that would make elections in Ohio better. Citizens need to turn in more than 320,000 valid signatures from registered voters by early August to qualify these initiatives for the November 2005 ballot.

**1. Campaign Finance Reform.** In December 2004, the Ohio legislature increased the amount that large donors can give to politicians from \$2,500 to \$10,000 and weakened Ohio's century-old ban on corporate contributions. This initiative would lower contribution limits to \$1,000 per election cycle for legislative candidates and \$2,000 per cycle for statewide candidates, tighten the ban on corporate contributions, and prevent fat cats from skirting the limits by giving contributions through their children.

**2. Independent Redistricting.** Most elections in Ohio are not competitive because politicians conspire in drawing districts that are handpicked to ensure that either a Democrat or Republican

wins in a landslide. This initiative would take the redistricting process out of the hands of partisan incumbents and put this responsibility into a non-partisan commission whose members could not be lobbyists, former politicians, or party leaders.

**3. Election reform.** Ohio elections are currently administered by the Secretary of State, who is elected in a partisan election. Previous Secretaries of State have chaired the campaigns of Presidential candidates and taken other actions that draw into question their impartiality in administering elections. This initiative would create a non-partisan elections board to administer Ohio elections, ensuring that voters will have confidence in election outcomes.



## OREGON

*(continued from page 2)*

the basic contribution limits. Proponents have included a severability clause to protect the rest of the measure should any one portion of it be blocked by a judge. However, given the 2nd Circuit's ruling in Vermont and possible Supreme Court consideration, it is quite possible that courts will uphold this limit.

This campaign is led by three public interest champions: Harry Lonsdale, Dan Meek, and Peter Buckley. Lonsdale is a successful small businessman from rural Oregon whose hands-on knowledge of the importance of campaign finance reform stems from his nearly successful bid to unseat US Senator Mark Hatfield in 1990. In his book about the experience, *Running*, Lonsdale describes the role of big money in politics, saying "it's rarely a straight-up *quid pro quo*. .... The politician knows how he or she is expected to vote by the money source that wrote the check. And he or she knows that the money source keeps score." Peter Buckley, an

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up and coming legislator from Oregon's fifth district, introduced a legislative version of Measure 37.

Dan Meek, a Portland attorney, drafted both measures. While opponents of the initiative process often complain that they are hastily drafted, Meek refined the text of these initiatives over the course of several years, completing more than 100 different drafts. Derek Cressman of TheRestofUs.org provided ongoing strategic and policy advice. Experts at the National Voting Rights Institute and the Brennan Center for Justice reviewed drafts and offered suggestions. The reformers also met with representatives from traditional reform organizations, labor, environmentalists, and grassroots activists across Oregon to seek their input. As with the legislative process, the proponents incorporated many of the suggestions they received, while rejecting others out of concern that they either undercut the core policy objects that the group wanted to achieve, conflicted with other advice, or were likely to be rejected by the courts.

\*

A majority of the Portland City Council has expressed their support for the Voter Owned Elections ordinance, which provides public financing for candidates for city elections. At the ordinance's second reading, an amendment was added that would refer the ordinance to Portland voters in 2010 for reapproval. The City Council is scheduled to vote on the ordinance the third week of May.

## PENNSYLVANIA

A bill sponsored by Philadelphia Councilman Brian O'Neill would cap the amount that candidates can raise in a given year. Candidates for district attorney and city controller could raise up to \$100,000 per year; candidates for the "row offices" of register of wills, clerk of quarter

sessions, and city commissioner could raise up to \$75,000 a year. Currently, there are no limits on contributions to candidates for those offices.

The bill also caps individual contributions to those races at \$2,000 and doubles the current limits on contributions to mayoral and council candidates to \$2,000.

\*

The Pennsylvania Supreme Court ordered contender John Braxton removed from the ballot for omissions on his financial-disclosure form. Braxton, a former judge, failed to disclose the sources of his rental income and the mortgages on his rental properties on the disclosure form required of all political candidates and officeholders under the state ethics law. The decision means State Rep. Alan Butkovitz, the party-endorsed candidate, is assured of winning the Democratic nomination.

## SOUTH CAROLINA

A House Ethics panel will decide whether to institute tougher ethics and campaign finance standards after a report showed that over a third of House members incorrectly reported campaign donors and expenditures.

Currently, neither House members nor Senators have to report the occupations of donors. Starting this April, the Senate will start using forms which require occupations to be disclosed. Based on a decision by the attorney for the House Ethics Committee that a 2003 ethics rule only requires that donor occupation be collected, not disclosed, the House has exempted themselves from disclosing what occupations their donors have.

## TENNESSEE

House Majority Leader Kim McMillan wants to limit any individual's donations

to a state party to \$25,000 and cap donations to a PAC at \$5,000 per person. The House Elections Subcommittee unanimously endorsed bills that would set those limits, which are fifty times too high to have any effect on the ability of regular Tennesseans to exercise their rights in the political process.

Last year, King Pharmaceuticals CEO John Gregory and his family gave some \$800,000 to legislative candidates and the political action committees that supported them. Gregory was also the lone contributor to a political action committee that exceeded the contribution limits on donations to a candidate by a single contributor. (Gregory's attempts to influence politics are not limited to Tennessee - he also gave \$325,000 to Virginia gubernatorial candidate Jerry Kilgore.)

A bill died in the Senate which would have prevented the circumvention of contribution limits through PACs.

## TEXAS

A campaign finance bill with the declared support of 93 of the Texas Assembly's 150 members was not allowed out of the House Elections Committee. HB 1348 would have barred parties from spending corporate or union money on consultants, electioneering, fundraising, polling or voter identification, and would bar political action committees from using corporate or union money on anything but overhead and in-house communications.

In 2002, corporate money was funneled through a political action committee run by former aides to Rep. Tom DeLay, Texans for a Republican Majority Political Action Committee (TRMPAC). Corporate money is only allowed to be used for administrative expenses. TRMPAC successfully used

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donations on phone banks and polling, which led to the sought-after Republican majority in the Texas House and the election of Tom Craddick as speaker.

Also in 2002, unknown sums of corporate money were used to fund ads which attacked or promoted candidates, although stopping short of explicitly advocating for a candidate's defeat or election. HB 1348 would include such attack ads in its definition of advocacy even if they don't use the words "support" or "oppose", meaning those ads would be subject to campaign finance limits and disclosure requirements.

Craddick, one of the prime beneficiaries of TRMPAC's illegal use of corporate money, appointed Rep. Mary Denny to the chair of the elections committee that killed HB 1348. Denny also received help in her 2002 campaign of the very type that HB 1348 would prohibit.

\*

A second federal grand jury has been convened by the Justice Department's Enron Task Force, giving new cause for worry to those currently or potentially under indictment. The grand jury will be in session for the next 18 months.



## VERMONT

James Bopp, an attorney for the Republican Party and other plaintiffs, has appealed last year's ruling by the Second Circuit Court of Appeals upholding Vermont's spending limits for state elections, placing the issue in the Supreme Court's lap for the second time in two years. Last year, the Supreme Court refused to hear a case appealing the Tenth Circuit's finding that the City of Albuquerque's spending limits were unconstitutional.

*Landell v. Sorrell*, the Vermont case,

likely has a better chance of receiving certiorari from the Supreme Court because it diverges from the misguided precedent established in the 1976 Supreme Court case *Buckley v. Valeo*. This could well be the most important Supreme Court ruling on campaign finance reform in thirty years. The Court will likely not decide whether to take the case until October.

NVRI is representing Vermont PIRG, the primary proponent of the law as intervenors in the case along with the state of Vermont. TheRestofUs.org will organize an amicus brief of citizen groups supporting Vermont's common-sense solution to the problem of the runaway importance of money in state politics.



## VIRGINIA

In raising some \$15 million combined, the two leading 2005 gubernatorial candidates have each benefited from Virginia's free-for-all system of unchecked money. Candidate Jerry Kilgore received \$325,000 from Tennessee pharmaceutical maven John Gregory. Kilgore's opponent, Tim Kaine, received \$117,000 from one real estate developer. The money isn't limited to the governor's race: the candidates for attorney general and lieutenant governor have raised an additional combined \$7 million.



## WASHINGTON

The saga of the 2004 gubernatorial election between Christine Gregoire and Dino Rossi continues. Rossi, who lost by a mere 129 votes in the last official recount, is suing to get the election overturned. The case goes to trial May 23. The number of ballots that have come under question far exceeds Gregoire's 129-vote margin of victory,

although it is unclear exactly what type of statistical evidence the courts will allow in determining whether to order an extremely rare re-vote.



## WISCONSIN

The People's Legislature, a grassroots movement working to reform various aspects of government, convened in Milwaukee in late April, and will meet in Luxemburg (in northeast Wisconsin) on May 21. At the first people's Legislature, held in Madison in January, the group decided on agenda that includes campaign finance reform, combining the state elections and ethics committees into a single politically independent entity, and reform of the redistricting process.

Governor Jim Doyle issued an election reform plan that called for early voting, the pre-election submission of municipal voting plans to avoid long lines at the polls, and voter registration at state motor vehicle centers. Doyle also backs two of the People's Legislature reforms: a nonpartisan Legislative Reference Bureau to draw legislative and congressional districts and the merger of the state Ethics and Elections Boards.



## AT THE FEDERAL LEVEL

### Musical Chairs Ethics Committee

Reps. Lamar Smith and Tom Cole have recused themselves from any investigations into Tom DeLay's ethical violations based on the \$10,000 and \$5,000 in contributions respectively each contributed to DeLay's legal

# NATIONAL UPDATES

defense fund.

According to Ethics Chair Doc Hastings, the two congressmen believed that their contributions to DeLay's defense fund "raised doubts however unwarranted about whether those members would be able to judge fairly allegations of impropriety against Mr. DeLay."

Apparently even more "unwarranted" in the minds of these Beltway stalwarts are doubts about the fairness of an ethics investigation of DeLay by politicians who have received tens of thousands of dollars in contributions from DeLay's leadership PAC, Americans for a Republican Majority Political Action Committee (ARMPAC). The remaining three members of DeLay's party on the Ethics Committee who have not recused themselves all took money from DeLay: Melissa Hart of Pennsylvania (\$15,000), Doc Hastings of Washington (\$8,930), and Judy Biggert of Illinois (\$2,764). In 2003-4 alone, DeLay doled out \$919,000 from ARMPAC to 112 candidates for the House, nearly one-half of his party's caucus.

## *Abramoff/DeLay Investigation*

Allegations have mounted against lobbyist Jack Abramoff and his associate Michael Scanlon, a former aide to Tom DeLay. Abramoff and Scanlon are accused of bilking Indian tribes of more than \$80 million in lobbying fees to further their casino agendas, in addition to other ethical violations.

One of those ethical violations involves Abramoff's payment for travel to the Marianas Islands for two Democrats and two of DeLay's aides. At the time, Abramoff was lobbying on behalf of the Marianas. It is against House ethics rules to accept travel paid for directly by any lobbyist. DeLay is also accused of accepting travel for several trips directly paid for by Abramoff.

## **527 Update**

Congress took several steps backwards this spring on efforts to close the loophole which allowed 527 organizations (named for the provision of the tax code under which they are organized) to use huge contributions to influence last year's elections.

### *Senate*

The Senate Rules Committee butchered S. 271 on April 27. In its initial form, S. 271 treated all federal 527s that spent more than \$25,000 as political action committees (PACs), which would mean nobody could give them more than \$5,000.

The Rules committee added many awful amendments including:

- increasing the limits on contributions to PACs from \$5,000 to \$7,500;
- exempting 527s that engage solely in partisan get-out-the-vote activities such as the George Soros-funded ACT;
- exempting paid internet electioneering;
- eliminating the twice-a-year limit on corporations raising political funds from employees.

The increases in hard money limits would mean the bill would likely do more harm than good.

A separate bill introduced by Sen. Harry Reid of Nevada, SB 678, also would foolishly exempt internet activity from campaign finance regulation.

### *House*

Proponents of big money have used the 527 discussion as an opportunity to gut the federal campaign finance laws. The "527 Fairness Act of 2005", a bill introduced by Reps. Mike Pence of Indiana and Albert Wynn of Maryland,

would repeal the limit on the aggregate amount of campaign contributions that may be made by individuals during an election cycle and on the amount of expenditures political parties may make on behalf of their candidates in general elections for Federal office.

This bill would allow a single contributor to give more than \$2 million to federal candidates for a single election cycle. Its sponsors' claim that it would "lift the parties" is exactly right: much as a petty thief "lifts" a pack of smokes from the local convenience store, the Pence-Wynn bill would lift the political process even further out of the hands of average Americans and into the control of the very richest sliver of society.

## **Sen. Clinton's Fundraisers**

The finance director for Hillary Clinton's 2000 Senate campaign went on trial on May 11 for three counts of lying to the Federal Elections Commission. The defendant, David Rosen, is accused of underreporting costs for a 2000 Hollywood fundraiser that allowed Clinton to pad her campaign account with \$800,000 in illegally-raised cash.

Rosen's defense is that the two convicted felons who worked for the campaign didn't tell him the actual costs. One of the felons, Peter Paul, responds that Rosen knew all along, and that Paul ate the \$800,000 in unreported costs in return for Bill Clinton's support for Paul's internet venture with Stan Lee of Spiderman fame.

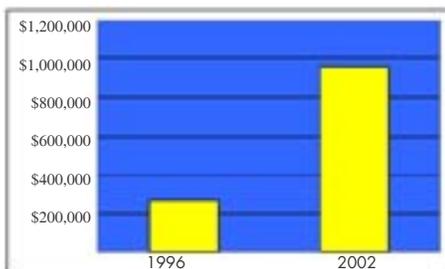
Judicial Watch, a public watchdog that has hounded the Clintons over the years, has asked the Senate Ethics Committee to investigate Sen. Clinton's possible knowledge and involvement with the \$800,000 windfall her campaign reaped from the unreported costs. Even if she didn't know, she should have done more to keep tabs on her rainmakers.

## Big Money Flows into Oregon Elections

In the 2004 general election, the candidate for the Oregon legislature who spent the most won 91% of the time.

From 1996 (the only election cycle contribution limits were in place) to 2002, the overall dollars contributed to Oregon candidates, parties, and political committees increased more than 1,000%, from \$4,186,031 to \$47,183,799.

**The Top 3 Donors in 2002  
Gave More than Triple what the  
Top 9 Donors Gave in 1996**



The overall dollars contributed to candidates for the House increased more than 300%, from \$2,525,703 to \$11,141,482.

State Senate contributions exploded more than 600%, from \$885,878 to \$6,216,385.

In the Oregon Senate, 47 candidates ran under the lower limits in 1996, compared to 37 in 2002.

In 1996, the top ten contributors to all candidates, parties, and committees

gave a combined \$356,301; the top twenty gave \$504,340.

In 2000, the Democratic and Republican National Committees contributed \$3,964,264 and \$3,549,647 respectively, each giving at least ten times the *combined total* of the top ten contributors in 1996.

In 2002, the top contributor, Loren Parks, contributed \$1,175,358 to various candidates and committees.

In the 2002 legislative races, only 1.5% of registered voters in Oregon contributed money to candidates. Less than 4% of the contributions were in amounts of \$50 or less, and 75% of the money came from only 1% of the contributors.

Statewide campaigns in Oregon governed by the federal limits on contributions, but no limits on the use of candidate personal spending,



have been dominated by wealthy candidates. In 1996, for example, the winning candidate for an Oregon seat in the U.S. Senate, Gordon Smith, spent more than \$2 million of his personal wealth, defeating Tom Bruggere, who spent \$1 million of his personal wealth.

Tom Potter, the new mayor of Portland, recently proved it was possible to run a successful campaign by raising money in small increments. He accepted just \$25 from any donor in his primary race and up to \$100 from any donor in his general election race for mayor of Portland, a jurisdiction larger than any legislative seat in the state.

In his October 28, 2004 commentary for KATU (Portland, OR) news, Ron Saxton asked the following question about the bipartisan attendance at a school opening ceremony: “. . .what could cause so many prominent political leaders to cheerfully spend their afternoon together?” His answer was Joan Allen, a woman whose contributions to the state were “enormous”.

And who is Ron Saxton? Saxton was a candidate for governor in 2002, one of whose largest contributors was Joan Austin, who gave him \$56,500. Ms. Austin gave another \$202,000 to three of Saxton’s opponents - \$200,000 to Kevin Mannix, \$1,000 to Jack Roberts, and \$1,000 to eventual winner Ted Kulongoski. She also gave \$81,200 to a political party in the same year.

Saxton concludes his paean: “Don’t ever doubt the ability of one person to make a difference. Think about it.”

## Going Nuclear on the Filibuster

Filibuster comes from the Dutch word for "pirate." It's a way for minorities in the Senate to steal the majority's ability to govern. Republicans are now complaining that Democrats are blocking votes on ten of President Bush's judicial nominations, conveniently forgetting that they blocked votes on 60 of President Clinton's judicial nominees.

Nine Democratic Senators, including Barbara Boxer, voted to abolish the filibuster back in 1994 when they were in the majority. Twenty-six current Republican Senators opposed that effort, including Senator Bill Frist.

See our idea for a majoritarian filibuster on page 2.



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