

ORDINANCE No.

Provide a voluntary campaign finance system for Auditor, City Commissioner and Mayoral elections.
(Ordinance; add Code Chapter 2.10 and amend Sections 2.02.010, 2.02.030 and 2.02.040)

The City of Portland Ordains:

Section 1. The Council finds:

1. The City's current campaign financing system undermines public confidence in the integrity of elected City officials. Ever increasing costs to run campaigns for City offices raise the public's concern and awareness of the possibility that elected officials make their decisions based in part on the wishes of large contributors. There is also a perception that large contributors have more access to elected officials. Therefore, a primary purpose of this ordinance and the Campaign Finance Fund code is to avoid both actual undue influence of large campaign donors and the appearance of undue influence in City elections and decision-making.
2. Analysis of the City's current campaign financing reveals a system out of balance and not fully representative of the city's residents. Small contributions of \$50 or less comprised only 3.2 percent of historical fundraising to City Council winners from 1992 through 2003. During the 2004 elections contributions of \$50 or less made up only 5.9 percent of total fundraising by candidates in contested general elections. From 1992 to 2003, 56.4 percent of all contributions to City Council winners came from only 10 out of 51 Portland zip codes. Almost half of primary and general election fundraising by the 2004 candidates with contested general elections came from the top 10 contributing zip codes.
3. A campaign finance system that rewards candidates for having the vision for the City rather than the best fundraising skills would improve citizens' perceptions about City politics as well as the actual operations of the City.
4. The public interest will be better protected by a publicly financed campaign system than the current system because the current system allows candidates to raise unlimited amounts of money from private interests that do business with the city.
5. In the 2000 general election, 57% of voters in Portland demonstrated their support for publicly funded campaigns by voting in favor Measure 6; a statewide ballot measure that would have instituted a statewide publicly financed campaign system.
6. Only 12 of the last 42 City elections produced a competitive general election.

7. A system that provides well-qualified candidates with adequate funding to mount citywide campaigns will produce competitive elections that will provide citizens in Portland with more choices about the leadership and direction of the city.
8. Guaranteeing equal funding for well-qualified candidates will allow candidates to spend more time talking to citizens about important issues as the need for private fundraising ends after the qualifying step when only \$5 qualifying or \$100 seed money contributions are collected.
9. Citizens who would not otherwise think of running for city office because of the amount of money and fundraising required by the current system would be able to mount viable campaigns if a publicly financed system were in place.
10. Elected officials, citizens and political observers agree that the level of civic discourse and decision-making has dramatically improved in jurisdictions that have adopted publicly financed campaign systems.
11. The current campaign finance system virtually guarantees victory to candidates that raise and spend more money. Of the 114 campaigns since 1970 with spending records, the highest spending candidates in 99 campaigns also received the most votes.
12. Only two incumbent elected City officials have lost their office in the 121 campaigns since 1970.
13. The code provisions that require reporting of contributions and expenditures serve two purposes. First, they enable the City to provide matching funds to participating candidates close to the time that such funds are expended by opponents. Participating candidates would be at a serious campaign disadvantage if they could not receive additional funds tied to their opponents' expenditures, because they cannot raise or spend funds other than the City funds. Without the prospect of matching funds tied to opponents' expenditures, viable candidates would not participate in the campaign finance system and the goal of avoiding the appearance of undue influence through a City-funded campaign finance system would be undermined. Second, the provision of public funding to participating candidates and the requirement for additional reporting by non-participating candidates and those making independent expenditures enhances voters' knowledge about candidates' possible allegiances and interests. For participating candidates, voters will know who made qualifying and seed money contributions to the candidates. For non-participating candidates, the voters will know who makes large contributions and expenditures close to the election dates more quickly than they would under the current reporting system.
14. Council also declares that its goal is to facilitate more speech by and about candidates for City Office. For that reason the Campaign Finance Fund Code does not place limitations on contributions and expenditures by nonparticipating candidates or those making independent expenditures. The code only requires reporting of expenditures by non-

participating candidates and independent expenditures so that participating candidates have the opportunity to engage in speech at or close to the same level as their opponents.

15. Council hereby declares that if any section, subsection, sentence, clause or phrase of this Ordinance, or the code amendments it adopts is for any reason held to be invalid or unconstitutional, that shall not affect the validity of the remaining portions of the Portland City Code, including but not limited to the City's Campaign Finance Fund Code regulations. Council declares that it would have passed the Portland City Code, and each Section, Subsection, sentence, clause, and phrase thereof, including but not limited to the City's Campaign Finance Fund Code, regardless of the fact that any one or more Sections, Subsections, sentences, clauses, or phrases of this Ordinance may be found to be invalid or unconstitutional;
16. City Council Resolution No. 36208, adopted April 7, 2004, directed the City Auditor, Commissioner of Public Works and Mayor to develop proposed code language that would establish a voluntary campaign finance system for the 2006 and thereafter City Auditor, City Commission and Mayoral elections.
17. The Auditor and Commissioner of Public Works released their draft proposal and proposed code language for a voluntary campaign finance system in July 2004. City Council discussed the proposal at their August 17, 2004 work session.
18. The Auditor has drafted changes to the proposed City Code with the assistance of the City Attorney to respond to Council and community feedback on the proposal and to address technical and logistical issues.

NOW, THEREFORE, the Council directs:

- a. City Code Chapter 2.10 Campaign Finance Fund is added, as provided in Exhibit A.
- b. City Code Sections 2.02.010 Definitions, 2.02.030 Campaign Finance Regulations and 2.02.040 Applicability of State Law; Limitations are amended, as provided in Exhibit B.
- c. Notwithstanding the effective date of City Code Chapter 2.10, Code Section 2.10.060, which allows Auditor to accept declarations of intent to seek certification, shall not be effective until September 1, 2005.
- d. Notwithstanding Code Section 2.10.010 U, the qualifying period for the May 2006 primary election shall begin on September 1, 2005 and end on the 47th day immediately preceding the May 2006 primary election.
- e. The Auditor is directed to develop and adopt Administrative Rules to implement the voluntary campaign finance system for the May 2006 primary election starting in September 1, 2005.

- f. The Auditor is directed to solicit applications for the Citizen Campaign Commission and recommend appointees to the City Council.

Passed by the Council,

City Auditor Gary Blackmer
Sfrancois/MRunkel
March 31, 2005

GARY BLACKMER
Auditor of the City of Portland

By

Deputy