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### 191335

Ordinance

# Amend Small Donor Elections Program Code to consolidate primary and general elections to align with the voter-approved Charter amendments in Portland Measure 26-228 (amend Code Chapter 2.16)

**Passed** 

Amended by Council

The City of Portland ordains:

Section 1. The Council finds:

- 1. Council adopted the Small Donor Elections program in December 2016.
- 2. The Small Donor Elections program provides candidates, who demonstrate broad community support by collecting many small qualifying contributions from Portland residents, with matching dollars from the City's Small Donor Elections Fund if the candidates agree to follow program rules.
- 3. The intention of the program is to reduce actual and perceived corruption by reducing reliance on large contributions by campaigns. This will also allow candidates to engage with individuals from a variety of backgrounds and neighborhoods, which will ensure that the priorities and concerns of all individuals have the opportunity to be heard and increase the participation of all Portlanders by increasing the value of small donations.
- 4. The program was launched for the 2020 elections and is currently available for candidates who plan to run in the 2024 elections.
- 5. The Small Donor Elections Code must be revised to align with the recent Charter amendments passed by voters in the 2022 General Election--which overhauled the City's elections process and consolidated the primary and general elections into one election.

#### Changes

Ordinance 191335

July 21, 2023

View all changes

Introduced by

**Commissioner Carmen Rubio** 

Bureau

**Small Donor Elections** 

Contact

Susan Mottet

**Director, Small Donor Elections** 

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**3** 503-823-4345

Requested Agenda Type

Regular

**Date and Time Information** 

Requested Council Date

June 21, 2023

**Changes City Code** 

6. The following amendments are based on recommendations from the Portland Elections Commission, which oversees the program and is tasked by Code to make recommendations to Council of amendments after each election cycle. To make these recommendations, the Portland Elections Commission engaged in a public process, received feedback from program users and community stakeholders, and analyzed campaign finance data in Portland and other jurisdictions which have implemented election reforms similar to those of the recent Charter amendments.

#### NOW, THEREFORE, the Council directs:

- A. Amend Code Chapter 2.16, Small Donor Elections Program, as shown in Exhibit A.
- B. The Small Donor Elections Program Director, in coordination with the Portland Elections Commission, will solicit stakeholder feedback on ways to improve the Program's penalty and appeal process. The Program Director will report recommendations for code or administrative rule amendments to City Council by December 1, 2023.

#### **Documents and Exhibits**

- Amended Ordinance Strikethrough / Underline Version
  (https://www.portland.gov/sites/default/files/council-documents/2023/item-502-amendment.pdf) 77.43 KB
- Exhibit A (https://www.portland.gov/sites/default/files/councildocuments/2023/chapter-2.16-charter-alignment-and-program-neutrality-5-23-23-final.docx) 65.28 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council June 21, 2023

Auditor of the City of Portland Simone Rede

#### **Impact Statement**

#### Purpose of Proposed Legislation and Background Information

The purpose of this legislation is to align the Small Donor Elections Code, which is structured around a primary and general elections, with the recent Charter amendments which consolidated the primary and general elections into one election. This includes technical changes, such as replacing the phrases "primary election" and "general election" with the word "election" or

"election cycle," as well as substantive changes, such as replacing contribution limits and match caps - which are divided between the primary and general elections – with consolidated limits and caps for the one election.

These changes have been unanimously recommended by the Portland Elections Commission (PEC), which is tasked by code to recommend amendments to City Council. The PEC made these recommendations using a public process after analyzing campaign finance data from Portland and jurisdictions that have adopted similar election reforms as well as feedback from program users and community stakeholders.

The legislation also assigns program oversight and related provisions to protect program neutrality.

#### Financial and Budgetary Impacts

The fiscal impact to the program is a result of the Charter amendments, and this legislation aligns the Code with those amendments:

- Holding elections in 2024 for all 14 elected positions costs at least twice as much as holding elections for only half of the seats each election cycle;
- Changing from a primary and general to ranked voting saves the program money;
- Increasing the number of Council seats from four to 12 increases the program cost; and
- Changing from citywide to district Council elections saves the program money.

The only part of this Code update that has a financial and budgetary impact is changing the match caps from one amount for the primary and another amount for the general to caps for the one election. Match caps are the program's primary tool for reducing the City's financial exposure. The proposed Mayoral cap merely adds the primary and general caps together, which is functionally the same. The Auditor's cap is decreased, which should decrease the financial exposure of the program for that race. The Council tiered cap is lower than the primary and general cap combined, but the top tier is higher than the primary alone; it is intended to save the City money.

#### **Community Impacts and Community Involvement**

The substantive changes – increasing the contribution limit and consolidating match caps to the one election – are designed to be high enough to enable candidates to engage the entire community (Citywide or their District) when campaigning, without needlessly increasing the financial exposure of the City. These amendments were recommended by the Portland Elections Commission using a public process, and using feedback from program users and stakeholders.

#### 100% Renewable Goal

N/A

# **Budget Office Financial Impact Analysis**

This ordinance aligns the Small Donor Elections code with the charter amendments approved by voters in the November 2022 election. Any additional costs are primarily dependent on candidate participation and the number of small donations, which may vary based on how many candidates are running for each office. At similar levels of participation, costs would likely be similar, but if there are a higher number of candidates participating, and a higher number of small donations, regular costs of matching could significantly increase over prior years. Under current administrative rules, the Program Director may reduce the matching funds or match rate for some or all covered offices if there is a "significant risk" that there will not be sufficient funding available to meet the match cap for participating candidates. This ordinance would amend code to designate this role to the Portland Elections Commission, rather than the Director. The 2024 election will also have a uniquely high cost, as the electorate will be filling all 14 of the newly created elected positions.

## Agenda Items

470 Consent Agenda in <u>June 7-8, 2023 Council Agenda</u> (https://www.portland.gov/council/agenda/2023/6/7)

Passed to second reading

Item 470 was pulled from the Consent Agenda for discussion.

Passed to second reading June 14, 2023 at 9:30 a.m.

502 Regular Agenda in <u>June 14, 2023 Council Agenda</u> (https://www.portland.gov/council/agenda/2023/6/14)

Passed to second reading as amended

Motion to amend the ordinance to add directive to Ordinance to direct program leadership and Portland Elections Commission to improve the penalty and appeals process: Moved by Rubio and seconded by Gonzalez. (Y-5)

Passed to second reading June 21, 2023 at 9:30 a.m. as amended

# 517 Regular Agenda in <u>June 21, 2023 Council Agenda</u> (https://www.portland.gov/council/agenda/2023/6/21)

Passed As Amended

Commissioner Dan Ryan Nay

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea