



Money in Politics Research Action Project

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For immediate release:
September 18, 2003

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Who is Behind the Referendum to Overturn Hard-Fought Legislative Revenue Package?

Analysis of the political committees of the two groups behind the anti-tax referendum reveal differences in terms of local versus national leadership and grassroots versus big donor fundraising.

Signature gathering has begun to put referendum 401 on the ballot. The referendum seeks to overturn the Oregon legislature's revenue package, effectively destroying the budget agreement that ended Oregon's record-breaking legislative session. The revenue deal included a three-year graduated income tax surcharge, increases in the corporate minimum tax, reduces corporate tax credits, extends the cigarette tax increase through 2005, and avoids over \$500 million in cuts to education, human services, and public safety.

The referendum's chief petitioners, Russell Walker and Jason Williams, are with the Oregon Citizens For a Sound Economy and Taxpayer Association of Oregon. Walker is also one of three directors of the Taxpayer Defense Fund, a new PAC formed to gather referendum signatures. The other PAC directors are Molly Byrne and Andrew Smith, staff people with the national Citizens for a Sound Economy, based in Washington, D.C.

"It is unfortunate that the only campaign finance disclosure report on a referendum petition is due after the deadline for turning in signatures," says Janice Thompson, Executive Director of the Money in Politics Research Action Project (MiPRAP.) "It would be nice to know sooner where the money is coming from to overturn the budget deal that got the nod from almost two-thirds of the legislature (62.5%) and finally ended legislative gridlock in Salem."

Tracking contributions to the ongoing PACs of the new effort's parent groups reveals past financial support and may indicate future sources of funding. The largest contributor to Oregon Citizens for a Sound Economy (OCSE) PAC since the 2002 primary is Senator David Nelson's campaign committee. Nelson's contributions came during the 2002 general election. However, Senator Nelson voted for HB 2152, the measure that the anti-tax groups want to overturn. The second larger contributor to OCSE is the D.C.-based Citizens for a Sound Economy (CSE). (See contribution details on page 2. Contributions by election cycle are also available at <http://www.oregonfollowthemoney.org/BallotMeasures/CSEandTAO.PDF>)

"I'm not surprised to see out-of-state money--Oregon is often a testing ground for issues that cross state lines. It is striking, however, to see that two PAC directors for both the referendum effort and the ongoing committee of the Oregon Citizens for a Sound Economy are staff members of a Washington, D.C.-based group," notes Janice Thompson. "It makes you wonder who is really calling the shots - a D.C.-based group or Oregonians. On the other hand, the Taxpayer Association of Oregon has a history of grassroots fundraising and Oregon-based leadership."

A March report by the People For the American Way, *Upper Brackets: The Right's Tax Cut Boosters*, characterizes CSE as one of five major national groups focused on cutting taxes and related conservative issues. CSE has special expertise in field operations, and it has affiliates in 22 states, including Oregon. A Public Citizen report documents corporate funding for the CSE with top gifts of over \$1 million each given by U.S. West (now QWEST) and Phillip Morris. (<http://www.pfaw.org/pfaw/general/default.aspx?oid=9498> and http://www.citizen.org/print_article.cfm?ID=798)

History of Contributions to Groups Supporting Anti-Tax Referendum

OR Citizens for a Sound Economy PAC			Taxpayer Association of Oregon PAC* & Taxpayer Association of Oregon Measure PAC**		
PAC Directors: Russell Walker, Keizer Mary Byrne, Washington DC Matt Kibbe, Washington DC			PAC Directors: Jason Williams, Tigard* and ** Don McIntire, Gresham* Craig Flynn, Portland**		
contributor	aggregate amount	% of total	contributor	aggregate amount	% of total
Nelson, David, Friends of	\$47,000	21.6%	Taxpayer Association of Oregon PAC		
Citizens for a Sound Economy - Washington, DC	\$37,224	17.1%	\$50 and under contribs	\$25,248	50.8%
Oregonians for Food & Shelter	\$29,000	13.3%	\$51 to \$200 contribs	\$7,299	14.7%
Smith, Tootie, for State Rep	\$13,000	6.0%	Majority 2002	\$6,000	12.1%
Oregonians in Action PAC	\$10,500	4.8%	Tiernan, Robert, for State Senate	\$3,841	7.7%
Read, Peter - private investigator, Berkeley, CA	\$10,000	4.6%	Fleetwood Corp	\$2,000	4.0%
Tiernan, Robert	\$10,000	4.6%	OR Family Farm Assoc PAC ²	\$1,500	3.0%
\$51 to \$200 contribs	\$8,005	3.7%	Jobs Portland	\$1,405	2.8%
\$50 and under contribs	\$6,565	3.0%	Karlock, James	\$1,000	2.0%
OR Republican Party	\$6,150	2.8%	Halton Company	\$500	1.0%
Beyer, Roger, for State Senate	\$5,500	2.5%	Oregonians in Action	\$400	0.8%
Association of Builders and Contractors ABC PAC	\$5,000	2.3%	Holwerda, Steve	\$260	0.5%
Allen, Sam - hotel owner	\$5,000	2.3%	Knopp, Tim	\$250	0.5%
Bobosky, Robert - CPA	\$5,000	2.3%	totals	\$49,703	100%
OR Restaurant Association	\$4,500	2.1%	Taxpayer Association of Oregon Measure PAC		
Citizens for PERS Reform ¹	\$4,425	2.0%	\$50 and under contribs	\$7,577	50.8%
Adams & Co	\$2,740	1.3%	Taxpayers Association of OR PAC	\$4,125	27.7%
Butler, Tom, Committee to Elect	\$2,000	0.9%	Woodworth, Jay	\$2,000	13.4%
Close, Betsy, Friends of	\$2,000	0.9%	\$51 to \$200 contribs	\$700	4.7%
Taxpayers Association of OR PAC	\$1,500	0.7%	Hansen, William	\$500	3.4%
Gateway Communications	\$1,367	0.6%	totals	\$14,902	100%
OR Neighborhood Store Assoc PAC	\$1,000	0.5%	1 - Citizens for PERS Reform got all of its money from the Oregon and Washington offices of Citizens for a Sound Economy. 2 - OR Family Farm Association PAC leadership overlaps with that of Oregonians in Action		
Bi-Mart	\$250	0.1%			
totals	\$217,725	100%			

Analysis by MiPRAP of Elections Division data. Aggregate contributions from 2002 primary, 2002 general, BM 28 January 2003 special election, and 2003 September Supplemental reports. Contributions include cash and in-kind.

This is an update to an earlier 9/18 release titled Who is Behind the Referendum to Overturn Temporary Income Tax Surcharge? This release clarifies that referendum 401 overturns the entire legislative revenue package and not just the income tax surcharge. All campaign contribution data remains the same.

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