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## Here We Go Again: What the Money Trail Tells Oregonians about Measure 49

By Sarah Wetherson

### Executive Summary

Oregon voters will again be asked to vote on land-use laws, this time in the form of Measure 49. This referral asks voters to approve a land-use law the legislature passed by a party-line vote in 2007 to address concerns about Measure 37.

Measure 37 requires local and state governments to compensate landowners for any loss in value caused by land-use regulations, or to waive those regulations. The Measure 49 referral, according to its supporters, restores fairness to the land-use system by allowing landowners to build a limited number of houses on their land while stopping unfettered commercial development. Detractors say that the referral guts Measure 37, taking away important property rights granted by the measure and ignoring the will of the voters.

Twelve legislators declared conflicts of interests before voting on the Measure 49 referral bill. Five legislators have actual conflicts because of Measure 37 claims that they or their family members filed. Demands – that is, the compensation landowners seek if land-use regulations are not waived – associated with those claims total more than \$3 million dollars.

Several campaign contributors to the Measure 37 campaign filed claims that, at the time they were filed, were worth nearly \$700 million.

In 2004, timber interests gave more than three-quarters of the money supporters of Measure 37 raised, and the top-10 contributors to the pro-Measure 37 campaign provided about two-thirds of the campaign's funds. Environmental groups, winery owner Eric Lemelson, public employee unions, and retirees gave a similar percentage of the money in the failed attempt to defeat Measure 37, and, as with the "yes" campaign, the top 10 contributors to the "no" side were responsible for about two-thirds of the campaign's total cash.

The main ideological players on this land-use issue continue to be Oregonians in Action and 1000 Friends of Oregon. Both groups are key players in forming political committees to oppose and support the Measure 49 campaign this fall. Past groups and individuals involved on both

sides foreshadow the sources of money Oregonians will see behind the campaigns as they heat up this summer and fall.

### **Measure 49 – A Brief History**

Most Oregonians agree – Oregon is a uniquely beautiful place. The state’s land-use laws have helped to preserve farmland, forests and beaches and encourage sustainable development in cities and towns.

But those same laws have also hampered landowners who seek to develop their property in ways not allowed by land-use laws. Because the effects of these laws are borne differently by rural and urban Oregonians, they also contribute to the gulf in understanding between those two groups.

The Family Farm Preservation PAC, raised \$756,492 to put Measure 37 on the November 2004 ballot, and raised \$942,245 to promote the measure. To counter Measure 37, the Take a Second Look PAC raised \$2,727,878 for its unsuccessful opposition campaign.

On November 2, 2004, Measure 37 passed in every county but Benton with 61 percent of the vote statewide. This touched off a number of court challenges to block the measure from taking effect, none of which was successful.

Measure 37 included a December 4, 2006 deadline for filing claims to address land-use laws in place prior to the measure’s taking effect. The subsequent rush of claims overwhelmed cities and counties facing expensive lawsuits if they failed to process the claims within 180 days. This put pressure on the legislature to reform the measure. To date, approximately 7000 claims have been filed statewide, demanding nearly \$15 billion in total compensation.<sup>1</sup>

Campaign finance considerations may also have accelerated the legislative drive to reform Measure 37. Timber interests historically support Republicans, the minority party in the legislature, while contributions from environmentalists and public employee unions trend toward Democrats, who controlled the House and Senate, as well as the governor’s seat.

The 2007 Legislative session opened with great hope that a bi-partisan agreement to fix Measure 37 could be found. Both chambers formed a Joint Committee on Land Use and Fairness to address the issue. After months of hearings and negotiations that ended in acrimony, three Democrats offered House Bill 3540. HB 3540, a referral that is now Measure 49, deleted much of the language of Measure 37 while providing landowners with a process similar to Measure 37 for obtaining compensation when land-use laws reduce the value of their land. The legislature passed the bill on a party-line vote.

### **Legislative Conflicts of Interest**

Some legislators own property, so it is not surprising that five legislators who are involved in claims totaling \$3,050,000. All five declared conflicts of interest before voting against HB 3540.

Seven other legislators also indicated potential conflicts of interest prior to voting on the referral bill.

Oregon law requires that legislators declare potential or actual conflicts of interest. House and Senate rules require that legislators vote on the legislation. The legislature is responsible for policing its members in the case of a violation of the conflict of interest rules. The legislators involved in claims<sup>2</sup> fall in one of three categories.

Members of the first group have either filed a claim or have a close family member who has filed a claim that can be verified in a state or municipal database of Measure 37 claims. There are five legislators in this category (see chart 1). The brother of Senator Roger Beyer, who is a registrant of the Beyer Tree Farm, has filed a pending claim with an unknown demand amount. Senator Gary George has filed a claim, the status of which is unknown, demanding \$1.5 million. Senator Bruce Starr's parents have been approved for a claim with a \$450,000 claim demand. Senator Doug Whitsett has been approved for a \$400,000 claim demand. Republican House leader Wayne Scott has filed a claim with a combined value of \$700,000, half of which has been approved, and half of which has been denied.

**Chart I: Legislators Declaring a Conflict of Interest and Their Verified Measure 37 Claims**

Legislator	Claimant(s) and Relationship	Dollar Amount of Claim Demand	Status	Notes
Sen. Roger Beyer	Beyer Tree Farm, registrant; Roy Beyer, co-registrant of tree farm.	Unknown	Pending	Senator Beyer was a member of the Joint Committee on Land Use Fairness in the 2007 Session.
Sen. Gary George	Claimant	\$1,500,000	Unknown	Son served on Joint Committee on Land Use Fairness
Sen. Bruce Starr	Charles Starr, son.	\$450,000	Approved	Both county and state claims have been approved.
Sen. Doug Whitsett	Self	\$400,000	Approved	Both county and state claims have been approved.
Rep. Wayne Scott	Self	\$700,000	\$350K Approved; \$350K Denied	House Republican Leader.
<b>Legislative Subtotal</b>		<b>\$3,050,000</b>	<b>\$1.5M Unknown; \$1.2M Approved; \$350 K Denied</b>	

DRO analysis of Measure 37 claims compiled in the Department of Administrative Services claims registry dated June 30, 2007 and Portland State University, dated April 2, 2007.

Three legislators form a second category, declaring a conflict of interest based on a Measure 37 claim they or another close family member has filed (see chart 2). However, Democracy Reform Oregon was unable to find evidence of a claim in state or municipal data. Representatives Scott Bruun and Patti Smith both stated that members of their families have claims, but did not give details about the claims. Representative Kim Thatcher reported that she has started a claim, but there was no evidence of that claim in state or municipal databases as of July 31, 2007.

**Chart 2: Legislators Declaring a Conflict of Interest and Their Unverified Measure 37 Claims**

Legislator	Claimant(s) and Relationship	Claim Demand	Status	Notes
Rep. Scott Bruun	Extended family members	Unknown	Unknown	Unclear who family members are.
Rep. Patti Smith	Household member	Unknown	Unknown	Unclear who household member is.
Rep. Kim Thatcher	Self	Unknown	Unknown	Declared on floor of House that she has started a claim, but no claim found in databases.

DRO analysis of Measure 37 claims compiled in the Department of Administrative Services claims registry dated June 30, 2007 and Portland State University, dated April 2, 2007

Finally, four legislators make up a third group that declared potential conflicts of interest that did not involve claims that either they or their family members had filed. Senator Jeff Kruse declared a conflict of interest because he could in the future file a claim. Representative Tom Butler declared a potential conflict of interest because of properties with claims adjacent to his property. Representative Bruce Hanna declared a similar conflict of interest. Representative Brian Clem declared a potential conflict of interest because he and his family could file a claim.

In addition, Senator Larry George, who did not declare a conflict of interest but also voted “no” on the HB 3540, is the son of Senator Gary George, who has filed a Measure 37 Claim. Senator Larry George is also the former executive director of Oregonians in Action, a key contributor to the effort to place Measure 37 on the ballot. Senator Larry George was a member of the Joint Committee on Land Use Fairness, which was charged with implementing Measure 37, in the 2007 Session.

Democracy Reform Oregon also searched the state Measure 37 registry for evidence of claims by other state senators and representatives and did not uncover any.

Three of the legislators involved in Measure 37 claims held leadership roles that were important to the development of the referral. Both Senators Larry George and Roger Beyer served on the Joint Committee on Land Use Fairness, whose job it was to consider Measure 37 related legislation. House Republican Leader Wayne Scott, whose leadership role grants him crucial power over the fortunes of his caucus members, also had a financial stake in the outcome of the vote to refer the legislation to Oregonians.

“Legislators are property owners, too, so it’s not surprising to see that some of them declared conflicts of interest over this vote,” said Sarah Wetherson, research and outreach associate for Democracy Reform Oregon. “The conflict of interest rules exist for just this reason – to put the information in the public eye and allow Oregonians to evaluate legislative votes and how they may benefit legislators.”

## **Measure 37 Contributors Continue to Reap Rewards of Investment**

Some contributors to the 2004 campaign to pass Measure 37 have filed claims under the measure approaching \$700 million, according to a newly updated analysis<sup>3</sup> from the Democracy Reform Oregon first released in April 2007.

Campaign donors who have filed land-use claims under Measure 37 provided more than half (56 percent) of the funding for the campaign and comprised about 4 percent (or 31) of the campaign's donors.

"As the campaign for Measure 49 moves forward, Oregonians will undoubtedly hear many stories about who will be affected by Measure 37 claims," said Wetherson. "Another part of the story is that some of the backers of the original measure stand to make millions from the investment they made with their campaign cash."

Democracy Reform Oregon 's review of Measure 37 claims looked at all 180 itemized donors to the signature gathering effort and subsequent ballot measure campaign, and included those claims filed by close family members of individuals and officers of the businesses and organizations contributing to the campaign. Democracy Reform Oregon estimates that there were 589 donors in a state-defined category of miscellaneous contributors<sup>4</sup> whose small-dollar contributions can be reported as a lump sum, for a total of 769 individual and business contributors to the campaign.

As noted on chart 3 (next page), Democracy Reform Oregon also compared campaign supporters' contributions against the monetary value of the Measure 37 claims and calculated that the contributor claimants, at the time of filing their claims, stood to earn a median potential percentage gain on investment of 188,233 percent.

**Chart 3: Contributions to the 2004 Measure 37 Campaign, Related Measure 37 Claims and Potential Percentage Gain on Investment**

Contributor Name(s)	Contribution to Measure 37 Campaign	Percentage of Measure 37 Campaign total	Value of Measure 37 Claim(s)	Claimant(s) and Relationship(s)	Potential Percentage Gain on Investment	Status of Claim(s)
Seneca Jones Timber Co	\$321,000	19%	\$6,750,000	Aaron U Jones, Founder	2003%	Unknown
ATR Services Inc, Greg Demers, and Frontier Resources, LLC	\$195,481	12%	\$7,400,000	Greg Demers, company owner; Robert Demers, son; Lane Plywood, Inc., associated business	3686%	\$6.2M denied; \$1.2M approved
Jeld-Wen Foundation and Jeld-Wen, Inc.	\$102,000	6%	\$200,000	Jerol E. Andres, President, Jeld-Wen Development	96%	Approved
Dr Johnson Lumber Co	\$75,000	4%	\$890,000	Donald R Johnson, President	1087%	Unknown
Oregonians In Action PAC, Oregonians in Action (OIA)	\$96,589	6%	\$5,000,000	Frank Nims, Oregonians in Action PresidentNims Family LTD Partnership (Ross Day, contact for both claims, is director of legal affairs for OIA)	5077%	\$2.5M Approved; \$2.5M Denied
Rosboro Lumber Co.	\$35,000	2%	\$9,705,170	Rosboro Lumber Co.	27,629%	Unknown
Stimson Lumber Company	\$30,000	2%	\$239,686,463	Stimson Lumber Company	798,855%	\$7.85M Approved; remainder Unknown
South Coast Lumber Co	\$25,000	1%	\$45,300,000	South Coast Lumber Co. Airport; South Coast Lumber Co. Golf Course; South Coast Lumber Co.	181,100%	Unknown
Murphy Plywood	\$25,000	1%	\$3,668,000	Murphy Company, Murphy Logging Company	14,572%	Unknown
Giustina Land & Timber Co.	\$20,000	1%	\$2,365,000	Giustina Bros Partnership, affiliated company	11,725%	Unknown
Wildish Sand & Gravel	\$10,000	1%	\$15,400,000	Wildish Land Co.	153,900%	Approved
SDS Lumber Company	\$7,500	0%	\$120,750,000	SDS Co., affiliate company	1,609,900%	Denied
Davidson Industries, Inc.	\$5,000	0%	\$59,502,218	Davidson Industries, Inc.	1,189,944%	\$7.65M Approved; remainder Unknown
Indian Hill, LLC	\$5,000	0%	\$7,100,000	Indian Hill, LLC	141,900%	Unknown
Agri-Business Real Estate Services and Tony Sibernagel	\$600	0%	\$1,130,000	Tony Silbernagel, Owner	188,233%	\$900K Approved; remainder Unknown

Horning's Hideout	\$500	0%	\$3,881,500	Jane Horning, Owner	776,200%	\$1.94M Approved; remainder Unknown
Bob Allsup Properties	\$500	0%	\$4,281,000	Robert Allsup	856,100%	\$3M approved; remainder Withdrawn
Glendale Farms, Inc	\$250	0%	\$17,699,070	Glendale Farms, Inc.	7,079,528%	Unknown
Associated Fruit Company	\$200	0%	\$121,636,745	Associated Fruit Company	60,818,273%	Unknown
Mitchell, Kenneth	\$150	0%	\$4,409,065	Dorothy Mitchell Trust, John Mitchell, Ray Mitchell, Kenneth Mitchell	2,939,277%	Approved
Cronin, Harold	\$100	0%	\$1,420,000	H.W. Cronin	1,419,900%	Approved
Graham, Doris	\$100	0%	\$294,000	Doris R. Graham	293,900%	Approved
Mountain Iron Works, LLC	\$100	0%	Unknown	Roger Evensen, owner	unknown	Unknown
Oldenstadt, Dennis	\$100	0%	\$13,800,000	Oldenstadt Limited Liability	13,799,900%	Denied
Pacific Intermountain Mortgage Company	\$100	0%	\$54,000	Kenneth M Errend	53,900%	Approved
Vlastelicia, Jr., John	\$100	0%	\$2,820,000	Vlastelicia, John J	2,819,900%	Approved
Claimant Subtotal	\$955,370	56%	\$695,142,231	Median Percentage Change	188,233%	N/A
Other Contributor Subtotal	\$743,367	44%	N/A	unknown		
Total Contributions	\$1,698,737	100%	unknown			

DRO analysis of 2004 campaign finance reports filed with the Secretary of State and Measure 37 claims complied in the Department of Administrative Services claims registry dated June 30, 2007.

Under Measure 37, a landowner can file a claim with local jurisdictions or the state asking that land-use regulations be waived or that the landowner be paid the difference between the value of the land under land use regulations and what it would be worth if the regulations were removed.

The donor with the largest potential percentage gain on investment, 60,818,273 percent, appears to be Associated Fruit Co., described in the InfoUSA<sup>5</sup> database as a privately-owned fruit grower and shipper with between \$2.5 and \$5 million in annual sales. The business gave \$200 to the campaign for Measure 37, and has filed claims requesting either a loosening of land-use laws that restrict development on their land or to be paid \$121,636,745 in compensation.

The contributor with the largest total claims found, Stimson Lumber Company, gave \$30,000 to the campaign and has filed nearly \$240 million in Measure 37 claims.

### **Follow the Money and People – Measure 37 and 49**

Ongoing organizations often have important ties to ballot measure campaigns that are revealed in the leadership of campaign PACs, and reveal what Oregonians might expect to see in the current campaign.

The Family Farm Preservation PAC opened in September 2003 to put Measure 37 on the ballot and support its passage (see chart 4). Oregonians in Action (OIA), a group that “leads the fight for land-use regulatory reform and protection for private property rights.”<sup>6</sup> had significant ties to the Family Farm Preservation PAC, which supported Measure 37. David Hunnicut serves as president and Ross Day serves as director of legal affairs for OIA. In addition, the PAC is listed as a candidate controlled committee, and now-Senator Larry George, former director of OIA, was the candidate linked to the committee<sup>7</sup>. The Family Farm Preservation PAC was discontinued in September 2006.

News coverage<sup>8</sup> lists 1000 Friends of Oregon as one of the founders of the Take a Closer Look committee, which formed in February 2004 to oppose Measure 37. The committee was discontinued in June 2005.

In May 2007, the Yes on 49 committee was formed to support Measure 49. Darr Durham, the treasurer of the Yes on 49 committee, works for 1000 Friends of Oregon, which “protects Oregon’s quality of life from the effects of growth”<sup>9</sup>

To date, two PACs have formed to oppose Measure 49. The Stop Taking Our Property committee formed in August 2007 with OIA president David Hunnicut serving as PAC treasurer. PAC director Dale Riddle works as an attorney for Seneca Sawmill Company, which gave 26 percent of the total funds the Yes on Measure 37 effort raised.

Oregonians in Action has an affiliated PAC, which opposes Measure 49. Oregonians in Action PAC is a candidate-controlled committee linked to Senator Larry George. OIA president David Hunnicut also serves as treasurer for the PAC. In July 2007, the committee amended its

statement of organization with the Secretary of State's office to declare formal opposition to Measure 49.

**Chart 4: Measure 37 and 49 Related PACs**

PAC Name	Role	Treasurer	Director(s)	PAC Status
Family Farm Preservation PAC	Chief Petitioner and Campaign PAC supporting Measure 37	David Hunnicut	Eguene Prete, Ross Day, Barbara Prete, Dorothy English	Opened September 29, 2003; Discontinued September 08, 2006
Take a Closer Look	Opposes Measure 37	Morgan Allen	Mike Hollern, Rob Drake	Opened February 25, 2004; Discontinued June 24, 2005
Yes on 49	Supports Measure 49	Darr Durham	Bruce Chapin, Lynn Peterson	Formed on May 24, 2007 as a miscellaneous PAC; declared support for Measure 49 on July 19, 2007.
Oregonians in Action PAC	Opposes Measure 49	David J. Hunnicutt	Matt Cyrus, Lawrence George, Rita Swyers	Ongoing miscellaneous PAC formed in 1997; declared opposition to Measure 49 on July 24, 2007.
Stop Taking Our Property	Opposes Measure 49	David Hunnicutt	Dale Riddle	Opened August 6, 2007

The top contributors to the now-defunct Measure 37 PACs, as well as the directors and treasurers involved with all four PACs, provide important clues about who stands behind the measures and who is likely to step forward with Measure 49 campaign cash.

The Family Farm Preservation PAC, raised \$756,492 to put Measure 37 on the November 2004 ballot, with 83 percent of the money coming from the top 10 contributors (see chart 5).

**Chart 5: Top 10 Contributors, Percentages and Totals to Measure 37 Signature Gathering Effort**

Contributor	Amount/Percentage	Total
ATR Services (Greg Demers)	\$143,481 (19%)	
A-DEC, Inc.	\$85,000 (11%)	
Oregonians in Action/OIA PAC	\$83,731 (11%)	
Seneca Jones Timber Co.	\$78,000 (10%)	
Wes Lematta/Columbia Helicopters and Jeld-Wen Foundation	\$55,000 (7%) each	
Freres Lumber Co.	\$52,368 (7%)	
DR Johnson Lumber Co.	\$50,000 (7%)	
Norman Brenden, William Colson, Roseburg Forest Products and Donna Woolley	\$25,000 (3%) each	
Top 10 Subtotal	\$624,580 (83%)	
Remaining Contributions	\$131,912 (17%)	
<b>Grand Total</b>		<b>\$756,492</b>

Based on 2004 signature gathering contribution and expenditure reports filed with the Secretary of State.

Money that the Family Farm Preservation PAC raised to support the measure during the 2004 general election was not quite as concentrated as during the signature gathering phase. The top 10 contributors were responsible for 66 percent of the \$942,245 total the campaign raised (see chart 6). Top contributors include timber interests ATR Services/Greg Demers, Columbia Helicopters/Wes Lematta RSG Forest Products, Roseberg Forest Products, Seneca Jones Timber Co., Swanson Group, DR Johnson, Freres, Rosboro, and Stimson Lumber companies and Donna

Woolley; dental equipment manufacturer A-DEC; Jeld-Wen Foundation (linked to the window and door manufacturer), and restaurateur Bill McCormick, as well as Oregonians in Action and OIA PAC.

**Chart 6: Top 10 Contributors, Percentages and Totals to Yes on Measure 37 Campaign**

Contributor	Amount/Percentage	Total
Seneca Jones Timber Co.	\$243,000 (26%)	
Swanson Group Inc.	\$75,000 (8%)	
RSG Forest Products Inc.	\$50,000 (5%)	
Jeld-Wen Foundation and Wes Lematta/Columbia Helicopters	\$45,000 (5%) each	
Bill McCormick	\$37,000 (4%)	
Rosboro Lumber Co.	\$35,000 (4%)	
Stimson Lumber Co.	\$30,000 (3%)	
A-DEC, Inc. and Greg Demers	\$27,000 (3%) each	
Top 10 Subtotal	\$626,000 (66%)	
Remaining Contributions	\$316,245 (34%)	
<b>Grand Total</b>		<b>\$942,245</b>

Based on 2004 general election contribution and expenditure reports filed with the Secretary of State.

DRO also broke out contributions by economic interest of the contributor. Timber interests contributed 77 percent of the \$942,245 total. (see chart 7). The remaining money for the campaign (23 percent) is divided up among 16 groupings of economic interest.

**Chart 7: Measure 37 Supporters by Economic Interest**

Economic Interest	Amount	Percentage of Grand Total	Grand Total
Forestry & Forest Products	\$728,904	77.4%	
Building Materials & Equipment	\$57,000	6.0%	
Real Estate	\$42,700	4.5%	
Food & Beverage	\$37,000	3.9%	
Health Products	\$27,000	2.9%	
Property Rights	\$19,503	2.1%	
Home Builders	\$12,360	1.3%	
Food Processing and Sales	\$10,000	1.1%	
Other (nine categories)	\$7777	<1%	
			<b>\$942,245</b>

Based on 2004 general election contribution and expenditure reports filed with the Secretary of State.

The other side of Measure 37, the Take a Closer Look committee, had a similar concentration of big-dollar donors supplying the bulk of total campaign resources (see chart 8). The top 10 contributors gave 63 percent of the total \$2,727,878 dollars raised to defeat the measure. Key contributors include environmental groups the League of Conservation Voters, the Nature Conservancy, 1000 Friends of Oregon, the Partnership Project; wine maker Eric Lemelson; labor unions Service Employees International Union (SEIU) Local 503, Oregon Education Association, and Oregon AFSCME Council 75; retiree Edmund Hayes and developer John Gray.

**Chart 8: Top 10 Contributors, Percentages and Totals to No on Measure 37 Campaign**

<b>Contributor</b>	<b>Amount/Percentage</b>	<b>Total</b>
Eric D Lemelson	\$500,500 (20%)	
League of Conservation Voters	\$275,000 (10%)	
The Nature Conservancy	\$183,500 (7%)	
1000 Friends of Oregon	\$111,265 (4%)	
SEIU Local 503	\$100,500 (4%)	
Oregon Education Association, Oregon AFSCME Council 75, Edmund Hayes and John Gray	\$100,000 (4%) each	
The Partnership Project	\$90,000 (3%) each	
Top 10 Total	\$1,710,765 (63%)	
Remaining Contributors	\$1,017,113 (37%)	
<b>Grand Total</b>		<b>\$2,727,878</b>

Based on 2004 general election contribution and expenditure reports filed with the Secretary of State.

DRO also looked at the No on Measure 37 campaign's \$2,727,878 total by economic interest and found that 30.4 percent came from environmentalists (see chart 9). The next biggest pots of money came from winemakers (20.4 percent – almost all of which was from winery owner Eric Lemelson), retirees (12.9 percent) and public sector unions (12.4 percent). The remaining money (23.9 percent) is divided up among 61 groupings of economic interest.

**Chart 9: Measure 37 Opposition by Economic Interest**

<b>Economic Interest</b>	<b>Amount</b>	<b>Percentage of Grand Total</b>	<b>Grand Total</b>
Environmentalists	\$828,920	30.4%	
Winemakers	\$557,659	20.4%	
Retirees	\$352,175	12.9%	
Public Sector Unions	\$337,000	12.4%	
Miscellaneous Manufacturing & Distributing	\$94,475	3.5%	
Candidate Committees <sup>10</sup>	\$55,495	2.0%	
Nonpartisan Small Contributions	\$52,320	1.9%	
Real Estate	\$45,505	1.7%	
Homemakers/Non-Income Earners	\$44,220	1.6%	
Other (57 categories)	\$360,109	13.2%	
			<b>\$2,727,878</b>

Based on 2004 general election contribution and expenditure reports filed with the Secretary of State.

## Conclusion

Measure 37 and the subsequent legislative activity leading to the referral of reform bill offer lessons in the role of money in political campaigns and public policy, as well as clues to what voters can expect to see as Measure 49 gears up.

A dozen legislators declared conflicts of interest regarding their vote on House Bill 3540, a legislative referral which would change how Measure 37 is implemented if the voters approve it in November 2007. The claims fall into three groups – five claims which can be verified, three which cannot be verified, and four which involve claims that are either theoretical or were filed by property owner whose land abuts that owned by the legislator. The total amount involved in legislative-related claims was at least \$3 million.

While most supporters of Measure 37 had no economic stake in its outcome, contributors who gave more than half of the money to the campaign filed claims collectively demanding nearly \$700 million in compensation from the state.

Campaigns supporting and opposing Measure 49 have important ties to standing groups that led the fight for and against Measure 37 and give a preview of who may dominate the money story this fall. In 2004, timber interests gave more than three-quarters of the money supporters of Measure 37 raised. Environmentalists, winemaker Eric Lemelson, public employee unions, and retirees gave a similar percentage of the money in the failed attempt to defeat Measure 37. The top 10 contributors to each campaign gave about two-thirds of the money to each campaign.

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<sup>1</sup> "Profit, ideology mix for some Measure 37 donors : Land use - More than 24 campaign backers have now filed claims -- \$637 million worth", *Oregonian*, April 23, 2007

<sup>2</sup> See the bill history for 2007 HB 3540 <http://www.leg.state.or.us/cgi-bin/searchMeas.pl> for the names of legislators who declared a conflict of interest. DRO developed categories of legislators with conflicts of interest through news reports and by listening to conflict of interest statements during discussions of the bill on the House and Senate floor.

<sup>3</sup> Following the protocol used to produce its April report, during the week of July 23, 2007, DRO reviewed the Measure 37 registry <http://www.oregon.gov/DAS/SSD/Risk/docs/RegistryReport.pdf>, which was dated June 28, 2007. DRO looked both for new claims filed since April and updated demand amounts and status information for existing claims since April.

<sup>4</sup> For 2004, the contribution threshold for this category was \$50. DRO's estimate of the number of donors in this category follows long-standing practice of assuming an average \$25 contribution and the aggregated total in this category of \$14,732.

<sup>5</sup> <http://olmis.emp.state.or.us/olmisj/employers?uniqueid=700406259&area=000029&stfips=41&sizeclass=B> viewed April 18, 2007.

<sup>6</sup> <http://www.oia.org/>, viewed August 2, 2007.

<sup>7</sup> The PACs involved in these measures underscore the need for a relatively new designation for political committees, the controlled committee. In 2005, the legislature reformed Oregon campaign finance law to create a "controlled committee" category to increase campaign finance transparency. Prior to creating this designation, committees that shared a treasurer could transfer money between the committees by using the name of the treasurer, obscuring the connection between the political committees. The new designation makes it clearer to the public that the committees are linked.

<sup>8</sup> *Hood River News*, September 13, 2004, <http://old.orcities.org/currentissues/M37/m37ns6.pdf>

<sup>9</sup> <http://www.friends.org/index.html> viewed August 2, 2007

<sup>10</sup> Contributions came from 13 committees, including: Blumenauer for Congress, \$48,145; Rex Burkholder for Metro Council, \$5000; Friends of Greg Macpherson, Mitch Greenlick for State Legislature and Friends to Re-elect Rob Drake, Mayor, \$500 each; Friends of Ginny Burdick, \$250; Friends of Steve March and Friends of Jackie Dingfelder, \$200 each; Hosticka for Metro, \$150; Friends of Steve Novick, Jim Francesconi for Mayor and Friends of Dave Hunt, \$100 each.