

**Initiative #173
Campaign Contributions**

1 **Amendment ? proposes amending the Colorado Constitution to:**

- 2 ♦ increase campaign finance contribution limits when a candidate loans or
3 contributes at least \$1.0 million to his or her own campaign, by allowing all
4 candidates in the same election to collect five times the level of individual
5 contributions currently authorized in the state constitution.

6 **Summary and Analysis**

7 **Background.** While campaign finance is regulated by federal law for candidates in
8 federal races, Colorado law regulates campaign finance for state and local candidates.
9 Federal and state courts have determined that limits on the amount of money that
10 candidates can collect from individuals are a permissible restriction of free speech to
11 prevent corruption or the appearance of corruption.

12 Under Amendment ?, candidates in a race may accept contributions from individuals
13 that are five times the rate authorized in the state constitution if a candidate in the race:

- 14 • contributes or loans funds totaling more than \$1.0 million to his or her own
15 campaign;
16 • contributes or loans funds totaling more than \$1.0 million to another committee to
17 support or oppose any candidate in the same election; or
18 • coordinates third-party contributions totaling more than \$1.0 million to any
19 committee to influence the candidate’s own election.

20 **Contribution limits.** Campaign contribution limits are established in the state
21 constitution and adjusted for inflation every four years. These limits restrict the amount
22 of money a person can donate to a candidate in a specific race, as indicated in Table 1.
23 The current limits reflect adjustments made in 2015.

24 **Table 1. Campaign Contribution Limits**

Election	Individual and Political Committee Contribution Limit
Governor/Lt. Governor	\$575
Secretary of State	\$575
Attorney General	\$575
State Treasurer	\$575
State Senate	\$200
State House of Representatives	\$200
State Board of Education	\$200
CU Regent	\$200
District Attorney	\$200

Source: Colorado Secretary of State.

1 In addition to relying on contributions from others, a candidate may make unlimited
2 contributions from personal funds to his or her own campaign. Further, certain types of
3 committees, including independent expenditure committees, may accept unlimited funds
4 to support the election or defeat of a candidate, as long as they do not coordinate their
5 activities or expenditures with any candidate. Since January 1, 2007, X [*figure to be*
6 *provided in future draft*] number of candidates have contributed or loaned over
7 \$1.0 million to their own campaigns.

*For information on those issue committees that support or oppose the measures on the ballot at the **November 6, 2018**, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:*

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

8 **Arguments For**

- 9 1) Wealthy candidates have an unfair advantage in elections because they are able
10 to contribute vast sums of their personal resources to their own campaigns.
11 Current limits on individual contributions are so low that candidates who rely on
12 them are at a significant disadvantage in communicating their message to voters.
13 If a candidate who is not wealthy is able to raise more money, it may create fairer
14 and more competitive elections.
- 15 2) Caps on campaign contributions limit First Amendment rights to free speech,
16 because a campaign contribution is a form of speech. An increase in these
17 contribution limits protects this fundamental constitutional right.

18 **Arguments Against**

- 19 1) Colorado's campaign finance system is broken, and this measure further
20 complicates the system without making elections fairer. Amendment ? increases
21 campaign contribution limits for all candidates when any candidate contributes or
22 loans \$1.0 million to his or her own campaign, including the candidate who
23 triggers this threshold. The \$1.0 million threshold is an arbitrary limit that could
24 soon be met in many elections.
- 25 2) This measure will significantly increase the amount of money that people can
26 contribute to candidates, allowing wealthy donors to potentially exert more
27 influence over elected officials. Self-funded candidates may be more likely to
28 approach issues based on their own convictions, without the outside pressures
29 that fundraising brings.

30 **Estimate of Fiscal Impact**

31 *(Please note: A summary of the fiscal impact will be included in this space in the*
32 *second draft of the analysis. A final fiscal impact statement will be prepared and placed*
33 *on the General Assembly's website when the final blue book is sent to voters.)*