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## FACT SHEET:

# How Vermont's Reform Law Developed

*For the first time since its decision in Buckley v. Valeo nearly 30 years ago, the Supreme Court has agreed to review the constitutionality of campaign spending limits. The case, Randall v. Sorrell, No. 04-1528, raises issues that go to the heart of our democracy. Vermont's comprehensive reform law was adopted in 1997 out of concern over the escalating arms race in campaign fundraising and spending that has undermined public confidence in government and turned elected officials into full-time fundraisers.*

*This fact sheet provides background on how Vermont's reform law developed.*

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In his 1997 inaugural address, Vermont Governor Howard Dean made an unexpected and what many would see as a startling admission from a politician: “Money does buy access and we’re kidding ourselves and Vermonters if we deny it.” The statement crystallized the concerns that had been growing among Vermonters over the role of money in elections. The growing influence of money in campaigns was starting to change the nature of governing in Vermont and the tradition of a citizens’ legislature – a tradition that has been very important to the political culture of this very small state.

### **Hearings on campaign finance reform**

During the subsequent spring the Vermont Legislature held an extraordinary series of hearings on campaign finance reform. The Legislature heard testimony from some 145 witnesses at more than 65 hearings before five different legislative committees, and made detailed findings on the need for comprehensive reform, a sampling of which is below:

- Election campaigns for statewide and state legislative offices are becoming too expensive. As a result, many Vermonters are financially unable to seek election to public office and candidates for statewide offices are spending inordinate amounts of time raising campaign funds.
- Some candidates and elected officials, especially when time is limited, respond and give access to contributors who make large contributions in preference to those who make small or no contributions.
- Robust debate of issues, candidate interaction with the electorate, and public involvement and confidence in the electoral process have decreased as campaign expenditures have increased.

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- Limiting large contributions ... and limiting campaign expenditures will encourage direct and small group contact between candidates and the electorate and will encourage the personal involvement of a large number of citizens in campaigns, both of which are crucial to public confidence and the robust debate of issues.
- Citizen interest, participation and confidence in the electoral process is lessened by excessively long and expensive campaigns.
- Public financing of campaigns . . . will increase citizen participation and will limit the time spent soliciting contributions, and will reduce the need of elected officials to respond to, and provide access to, contributors. As a result candidates will be freed to devote more time and energy to debate of the issues and elected officials will be able to spend more time responding to constituents and to performing their official duties.

### **Passage and provisions of Vermont's comprehensive reform law**

In June 1997, the Vermont legislature approved Act 64. This very comprehensive law did several things. It placed upper limits on the amounts that candidates for state office could spend. It also lowered the amount that individuals could contribute to candidates, PACs and political parties, and put limits on what PACs and political parties could contribute to candidates. It regulated coordinated expenditures, so that if a PAC or political party coordinates their expenditures with a candidate, that is considered a contribution to the candidate subject to the contribution limits. The Act provides public financing for elections for Governor and Lieutenant Governor. And it contains a unique provision allowing challengers to spend 15% more than incumbents for Gov and Lt. Gov. and 10% more in legislative races. More specifically, the Act provides:

**Expenditure limits:** The original expenditure limits for statewide offices (now adjusted for inflation) ranged from \$300,000 for Governor to \$45,000 for Secretary of State, Treasurer, Auditor of Accounts or Attorney General. 17 V.S.A. §2805a(2)-(3). For the Legislature, the limit was \$4,000 for a single-member senate district, with an additional \$2,500 for each additional seat in the district, and \$2,000 - \$3,000 for a house seat, depending on whether it is a single-member or two-member district. 17 V.S.A. §2805a(a)(4)-(5). For statewide offices, incumbents are limited to spending 85% of the limit; for the Legislature, incumbents are limited to spending 90% of the limit. 17 V.S.A. §2805a(c).

**Contribution limits:** Contributions to candidates by individuals, political committees and political parties are limited to \$400 for statewide offices, \$300 for senate campaigns, and \$200 for house campaigns. 17 V.S.A. § 2805(a)-(b). Donations to political parties and political committees are limited to \$2,000. 17 V.S.A. § 2805(a).

The bill was adopted with bipartisan support. The Vermont House adopted it 121 to 17, with 37 Republicans voting for it; the Senate adopted it 20 to 9, with 4 Republicans voting for it.