

House Bill 2597

Sponsored by COMMITTEE ON ELECTIONS, ETHICS AND RULES (at the request of Oregon Law Commission)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows candidate for public office to use political contributions only to support nomination or election of candidate. Prohibits candidate from using contributions for personal use. Prohibits candidate from using contributions to make contributions to other candidates or political committees, to defray office expenses, to pay criminal or certain civil penalties or to pay certain membership dues. Limits uses of contributions received by political committee that is not principal campaign committee.

Allows candidate to distribute contributions to principal campaign committee of same candidate for different office. Allows candidate to use contributions to purchase liability insurance for political committee treasurer and to pay certain election law civil penalties. Allows candidate who discontinues principal campaign committee to distribute excess contributions to certain charitable organizations, political party, legislative caucus political committee or Legislative Assembly.

Prohibits candidate for public office from serving as candidate's own treasurer. Provides exceptions for candidates who neither receive nor spend more than \$2,000 in calendar year or who receive contributions only from themselves.

A BILL FOR AN ACT

1
2 Relating to elections; creating new provisions; and amending ORS 260.037, 260.038, 260.046 and
3 260.407.

4 **Be It Enacted by the People of the State of Oregon:**

USE OF POLITICAL CONTRIBUTIONS

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8 **SECTION 1.** ORS 260.407 is amended to read:

9 260.407. *[(1) Except as provided in subsection (2) of this section, amounts received as contributions*
10 *by a candidate or the principal campaign committee of a candidate for public office that are in excess*
11 *of any amount necessary to defray campaign expenditures and any other funds donated to a holder of*
12 *public office may be:]*

13 *[(a) Used to defray any expenses incurred in connection with the recipient's duties as a holder of*
14 *public office;]*

15 *[(b) Transferred to any national, state or local political committee of any political party;]*

16 *[(c) Contributed to any organization described in section 170(c) of Title 26 of the United States*
17 *Code or to any charitable corporation defined in ORS 128.620; or]*

18 *[(d) Used for any other lawful purpose.]*

19 *[(2) Notwithstanding subsection (1) of this section, amounts received as contributions by a candi-*
20 *date for public office that are in excess of any amount necessary to defray campaign expenditures and*
21 *other funds donated to a holder of public office shall not be converted by any person to any personal*
22 *use other than to defray any expenses incurred in connection with the person's duties as a holder of*
23 *public office or to repay to a candidate any loan the proceeds of which were used in connection with*
24 *the candidate's campaign.]*

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 [(3) *As used in this section:*]

2 [(a) *“Funds donated” means all funds, including but not limited to gifts, loans, advances, credits*
 3 *or deposits of money that are donated for the purpose of supporting the activities of a holder of public*
 4 *office. “Funds donated” does not mean funds appropriated by the Legislative Assembly or another*
 5 *similar public appropriating body or personal funds of the office holder donated to an account con-*
 6 *taining only those personal funds.*]

7 [(b) *“Public office” does not include national or political party office.*]

8 **(1) Except as provided in subsections (3) and (4) of this section, a candidate or principal**
 9 **campaign committee of a candidate for public office may use contributions received by the**
 10 **candidate or committee only for the purpose of making expenditures to support the nomi-**
 11 **nation or election of the candidate.**

12 **(2) Except as provided in subsections (3) and (4) of this section, contributions received**
 13 **by a candidate or principal campaign committee of a candidate for public office may not be:**

14 **(a) Used by any person for any personal purpose;**

15 **(b) Contributed to any other candidate or political committee;**

16 **(c) Used to defray any expenses incurred in connection with the recipient’s duties as a**
 17 **holder of public office;**

18 **(d) Used to pay any money award as defined in ORS 18.005 included as part of a judgment**
 19 **in a civil or criminal action or any civil penalty imposed by an agency as defined in ORS**
 20 **183.310 or by a local government as defined in ORS 174.116; or**

21 **(e) Used to pay membership dues to a professional or civic organization if the member-**
 22 **ship is not integrally related to the candidate’s election or duties as a holder of public office.**

23 **(3) A candidate or principal campaign committee of a candidate for public office may:**

24 **(a) Use contributions received by the candidate or committee to purchase errors and**
 25 **omissions or professional liability insurance for a person serving as treasurer of a principal**
 26 **campaign committee;**

27 **(b) Use contributions received by the candidate or committee to pay a civil penalty im-**
 28 **posed under this chapter, other than a civil penalty imposed for a violation of this section;**
 29 **or**

30 **(c) Distribute contributions received by the candidate or committee to the principal**
 31 **campaign committee of the same candidate for nomination or election to a different public**
 32 **office.**

33 **(4) If a candidate or principal campaign committee of a candidate for public office does**
 34 **not intend to receive contributions or make expenditures and intends to discontinue the**
 35 **statement of organization of the candidate or committee under ORS 260.046, the candidate**
 36 **or committee may distribute contributions received by the candidate or committee to:**

37 **(a) Any organization qualified as a charitable organization under 26 U.S.C. 501(c)(3), or**
 38 **to any charitable corporation as defined in ORS 128.620, if the organization or corporation is**
 39 **not:**

40 **(A) Controlled by the candidate or a member of the candidate’s immediate family; or**

41 **(B) A religious organization as defined in ORS 128.620 or otherwise organized for the**
 42 **benefit of religion;**

43 **(b) Any state or local political committee of any political party;**

44 **(c) Any political committee organized by a caucus of either house of the Legislative As-**
 45 **sembly; or**

1 (d) In the case of a candidate for the office of state Senator or state Representative, the
 2 Property and Supplies Stores Account established under ORS 173.790.

3 (5) Contributions received by a political committee that is not a principal campaign
 4 committee of a candidate for public office may not be:

5 (a) Used by any person for any personal purpose;

6 (b) Except as allowed under ORS chapter 244, used to defray any expenses incurred in
 7 connection with the duties of a holder of public office;

8 (c) Used to pay any money award as defined in ORS 18.005 included as part of a judgment
 9 in a civil or criminal action or any civil penalty imposed by an agency as defined in ORS
 10 183.310 or by a local government as defined in ORS 174.116; or

11 (d) Used to pay membership dues of a candidate or holder of public office to a profes-
 12 sional or civic organization if the membership is not integrally related to the candidate's
 13 election or the duties of the holder of public office.

14 (6) The Secretary of State by rule may specify expenditures that are allowed or prohibited
 15 under subsection (1), (2) or (5) of this section.

16 (7) As used in this section, "public office" does not include a national or political party
 17 office.

18
 19 **CANDIDATE AS CANDIDATE'S OWN TREASURER**

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 21 **SECTION 2.** ORS 260.037 is amended to read:

22 260.037. (1) A candidate [*may serve as the candidate's own treasurer or may*] shall appoint and
 23 certify to the filing officer the name and address of a treasurer **of the candidate's principal cam-**
 24 **paign committee.** [*A candidate's treasurer*] **Except as provided in subsection (4) of this section,**
 25 **a candidate may not serve as the candidate's own treasurer. The treasurer of a principal**
 26 **campaign committee shall perform all the duties prescribed for the candidate under ORS 260.005**
 27 **and 260.035 to 260.159.**

28 (2) The candidate, in addition to the treasurer, [*shall be*] **is** personally responsible for the per-
 29 formance of [*such duties and*] **the duties prescribed for the candidate under ORS 260.005 and**
 30 **260.035 to 260.159.**

31 (3) Any default or violation by the treasurer [*shall be conclusively*] **is** considered a default or
 32 violation by the candidate.

33 (4) **A candidate may serve as the candidate's own treasurer if:**

34 (a) **The candidate expects neither the aggregate contributions to be received nor the ag-**
 35 **gregate expenditures to be made by or on behalf of the candidate to exceed \$2,000 in total**
 36 **amount during the calendar year; or**

37 (b) **The candidate receives contributions only from the candidate.**

38 (5) **A candidate who serves as the candidate's own treasurer shall appoint and certify to**
 39 **the filing officer the name and address of a person who will serve as treasurer of the candi-**
 40 **date's principal campaign committee if, during the calendar year, either the aggregate con-**
 41 **tributions or aggregate expenditures exceed \$2,000 or the candidate receives and accepts a**
 42 **contribution from a person other than the candidate. The candidate shall make the appoint-**
 43 **ment and certification at the same time the candidate designates the candidate as treasurer**
 44 **under subsection (1) of this section.**

45 **SECTION 3.** ORS 260.038 is amended to read:

1 260.038. (1) An individual may be appointed and serve as treasurer of a candidate and a political
 2 committee or of two or more candidates or political committees.

3 (2) A candidate or political committee may remove a treasurer. In event of the death, resigna-
 4 tion or removal of a treasurer before compliance with all obligations of a treasurer under ORS
 5 260.005 and 260.035 to 260.159, a candidate, **if required under ORS 260.037, or** *[may and a]* political
 6 committee shall appoint a successor and certify the name and address of the successor in the man-
 7 ner of an original appointment.

8 **SECTION 4.** ORS 260.046 is amended to read:

9 260.046. (1) A filing officer, in accordance with rules adopted by the Secretary of State, may
 10 discontinue the statement of organization of a candidate, principal campaign committee or political
 11 committee if the candidate, principal campaign committee or political committee has not filed a
 12 statement of contributions received or expenditures made under this chapter.

13 (2) The Secretary of State shall adopt rules prescribing conditions and procedures under which
 14 a filing officer may discontinue a statement of organization under this section.

15 (3) If a filing officer discontinues a statement of organization under this section, the filing officer
 16 shall provide written notice to the candidate, principal campaign committee or political committee
 17 that the statement has been discontinued.

18 (4) **A candidate, principal campaign committee or political committee may discontinue a**
 19 **statement of organization in the manner specified by the Secretary of State by rule.**

20 **SECTION 5.** (1) **The amendments to ORS 260.407 by section 1 of this 2007 Act apply to**
 21 **expenditures or distributions of contributions made on or after the effective date of this 2007**
 22 **Act.**

23 (2) **The amendments to ORS 260.037, 260.038 and 260.046 by sections 2 to 4 of this 2007**
 24 **Act apply to:**

25 (a) **Individuals who are or who become candidates or treasurers on or after the effective**
 26 **date of this 2007 Act;**

27 (b) **Principal campaign committees or political committees for which a statement of or-**
 28 **ganization was filed prior to the effective date of this 2007 Act and has not been discontinued;**
 29 **and**

30 (c) **Principal campaign committees or political committees for which a statement of or-**
 31 **ganization is filed on or after the effective date of this 2007 Act.**

32 **SECTION 6.** **A candidate who serves as the candidate's own treasurer on the effective**
 33 **date of this 2007 Act and who is required to appoint and certify the name and address of a**
 34 **treasurer under ORS 260.037, as amended by section 2 of this 2007 Act, shall file an amended**
 35 **statement of organization under ORS 260.039 with the filing officer not later than 30 business**
 36 **days after the effective date of this 2007 Act. The amended statement shall specify the name**
 37 **and address of the treasurer of the principal campaign committee of the candidate.**

38 **SECTION 7.** **The unit captions used in this 2007 Act are provided only for the convenience**
 39 **of the reader and do not become part of the statutory law of this state or express any leg-**
 40 **islative intent in the enactment of this 2007 Act.**