

Senate Bill 1058

Sponsored by Senator METSGER (Presession filed.)

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**.

Sets limits on amounts that may be received by candidates and political committees.
Prohibits corporate and labor organization contributions directly from treasury funds.
Provides civil penalties to be imposed by Secretary of State or Attorney General for violations.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to campaign finance; creating new provisions; amending ORS 260.005, 260.041, 260.044 and
3 260.737; repealing chapter 3, Oregon Laws 2007; and prescribing an effective date.

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

5 **SECTION 1. (1) The people of the State of Oregon find and declare that because the**
6 **premise that campaign contributions are constitutionally protected forms of expression re-**
7 **gardless of the ultimate use to which the contribution is put was recently withdrawn by the**
8 **Oregon Supreme Court, and because the court further found that the delivery of money or**
9 **something of value to a candidate or campaign is not in all cases constitutionally protected**
10 **expression as a matter of law, this state is now ripe for limits on campaign contributions.**

11 **(2) The people of the State of Oregon find and declare that the current system of fi-**
12 **nancing candidate nomination and election campaigns undermines democracy in Oregon in**
13 **the following principal ways:**

14 **(a) It fuels the public perception of corruption and undermines public confidence in the**
15 **democratic process and democratic institutions. In the 2008 general election, contributions**
16 **to the top 10 state House candidates ranged from \$450,248 to \$868,309, while in the 2006 gen-**
17 **eral election the top 10 House fundraisers received contributions that ranged from \$357,372**
18 **to \$725,372. The top three 2008 general election state Senate campaign fundraisers in com-**
19 **petitive districts ranged from \$134,230 to \$458,977. The top five 2006 general election Senate**
20 **campaign contribution totals ranged from \$324,735 to \$625,432. Fundraising by two Eugene**
21 **mayoral candidates in the 2008 general election totaled \$299,086 and \$319,888. (Figures for**
22 **2008 include contributions from May 21 through November 4, 2008, while 2006 figures are**
23 **contribution totals from the three general election campaign reports.)**

24 **(b) It diminishes elected officials' accountability to their constituents by compelling**
25 **elected officials to be disproportionately accessible to the major contributors who finance**
26 **their election campaigns. During the 2008 general election, three of the top five single con-**
27 **tributions to state House candidates went to winners and those contributions accounted for**
28 **54.6, 46 and 45.5 percent, respectively, of total fundraising by those elected officials. The**
29 **largest single contribution to a 2008 general election state Senate candidate represented 50.6**
30 **percent of total fundraising for that candidate. Contributions from the top 20 general election**

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 donors accounted for 45 percent of total fundraising by the gubernatorial winner in 2006.

2 (c) It creates a danger of actual corruption by encouraging elected officials to take
3 money from private interests that are directly affected by governmental actions.

4 (d) It drives up the cost of election campaigns, making it difficult for qualified candidates
5 without access to large contributors or personal fortunes to mount competitive campaigns.
6 The average spending by state Senate candidates doubled between 1994 and 2004 in both pri-
7 mary and general election contests. The average cost of state House campaigns increased
8 by 60 percent between 1994 and 2004 for primary campaigns and 30 percent between 1994 and
9 2004 for general election contests.

10 (e) It disadvantages challengers because large campaign contributors tend to give their
11 money to incumbents, thus causing elections to be less competitive.

12 (f) It inhibits communication with the electorate by candidates without access to large
13 sums of campaign money.

14 (3) The people of the State of Oregon find and declare that providing a system of candi-
15 date contribution limits will enhance democracy in Oregon in the following principal ways:

16 (a) It will help reduce the harmful influence of large contributions on the political pro-
17 cess, remove access to wealth as a major determinant of a citizen's influence within the
18 political process and restore meaning to the principle of "one person, one vote."

19 (b) It will help restore the rights of all citizens to equal and meaningful participation in
20 the democratic process.

21 (c) It will diminish the public perception of corruption and strengthen public confidence
22 in the democratic process and democratic institutions.

23 (d) It will help increase the accountability of elected officials to the constituents who
24 elect them.

25 **SECTION 2.** Sections 3 to 7 of this 2010 Act are added to and made a part of ORS chapter
26 260.

27 **SECTION 3.** (1) With respect to a single election:

28 (a) A candidate for nomination or election to the office of Governor, Secretary of State,
29 State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries,
30 Superintendent of Public Instruction or judge of the Supreme Court, Court of Appeals or
31 Oregon Tax Court may not receive an aggregate amount exceeding \$1,000 from an individual.

32 (b) A candidate for nomination or election to any other public office may not receive an
33 aggregate amount exceeding \$500 from an individual.

34 (c) Any one political committee other than a principal campaign committee may not re-
35 ceive an aggregate amount exceeding \$2,500 from an individual.

36 (d) Any one small donor committee may not receive an aggregate amount exceeding \$100
37 from an individual.

38 (2) Except as provided in subsections (3) and (4) of this section, with respect to a single
39 election:

40 (a) A candidate for nomination or election to the office of Governor, Secretary of State,
41 State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries,
42 Superintendent of Public Instruction or judge of the Supreme Court, Court of Appeals or
43 Oregon Tax Court may not receive an aggregate amount exceeding \$5,000 from a political
44 committee or person, other than an individual.

45 (b) A candidate for nomination or election to any other public office may not receive an

1 aggregate amount exceeding \$1,000 from a political committee or person, other than an in-
2 dividual.

3 (c) Any one political committee other than a principal campaign committee may not re-
4 ceive an aggregate amount exceeding \$2,500 from a political committee or person, other than
5 an individual.

6 (3) With respect to a single election:

7 (a) A candidate for nomination or election to the office of Governor, Secretary of State,
8 State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries,
9 Superintendent of Public Instruction or judge of the Supreme Court, Court of Appeals or
10 Oregon Tax Court may not receive an aggregate amount exceeding \$50,000 from a small do-
11 nor committee.

12 (b) A candidate for nomination or election to any other public office may not receive an
13 aggregate amount exceeding \$10,000 from a small donor committee.

14 (c) Any one political committee other than a principal campaign committee may not re-
15 ceive an aggregate amount exceeding \$2,500 from a small donor committee.

16 (4) With respect to a single election, a candidate for public office or any one political
17 committee may not receive an aggregate amount exceeding \$1,000 from a candidate.

18 (5)(a) Any one political committee or person, other than an individual, may not make a
19 contribution to a small donor committee.

20 (b) Any one small donor committee may not receive contributions from a political com-
21 mittee or person, other than an individual.

22 (6) A local government, as defined in ORS 174.116, may enact contribution limits and
23 prohibitions applicable to nominations or elections to local government office that are more
24 strict than the contribution limits or prohibitions described in sections 3 to 5 of this 2010
25 Act.

26 (7) For purposes of this section, a contribution to or on behalf of a candidate includes a
27 contribution to or on behalf of the candidate's principal campaign committee.

28 (8) This section does not apply to:

29 (a) Contributions made to or received by candidates for nomination or election to na-
30 tional or political party office.

31 (b) A political committee organized exclusively to support or oppose a measure.

32 **SECTION 4.** (1) Except as provided in subsection (2) of this section, for purposes of the
33 contribution limits established by section 3 of this 2010 Act:

34 (a) All political committees established by the same corporation or its subsidiaries are
35 treated as a single political committee;

36 (b) All political committees established by the same labor organization are treated as a
37 single political committee unless the political committee is established by a local unit of a
38 labor organization that has the authority to endorse candidates, subject to section 3 of this
39 2010 Act, independently of the labor organization and if the local unit contributes only funds
40 raised from its own members;

41 (c) All political committees established by the same political party are treated as a single
42 political committee;

43 (d) All political committees established by substantially the same group of persons are
44 treated as a single political committee;

45 (e) All controlled committees controlled by the same candidate or controlled committee

1 are treated as a single political committee; and

2 (f) Contributions are considered to be made by the same person if made by any parent,
3 subsidiary, branch, division, department, local unit or agent of the person.

4 (2) A person, other than a candidate, may control one political committee and one small
5 donor committee. Contributions made by the committees controlled by any one single person
6 under this subsection shall not be considered as made by a single political committee under
7 subsection (1) of this section.

8 (3) The Secretary of State by rule shall define when a political committee is considered
9 to be controlled by a person.

10 **SECTION 5.** (1) Except as provided in subsections (2), (3) and (4) of this section, a cor-
11 poration, professional corporation, nonprofit corporation, labor organization or any person,
12 other than an individual, may not:

13 (a) Make a contribution or expenditure directly or indirectly from treasury funds to or
14 on behalf of any candidate or political committee.

15 (b) Make an independent expenditure directly or indirectly from treasury funds.

16 (2) Subsection (1) of this section does not apply to:

17 (a) Contributions made by a corporation, professional corporation, nonprofit corporation,
18 labor organization or any person, other than an individual, to a political committee organized
19 exclusively to support or oppose a measure; or

20 (b) Communication on any subject made by a corporation, professional corporation,
21 nonprofit corporation or person to its shareholders and executive or administrative person-
22 nel and their families or by a labor organization to its members and their families.

23 (3) Nothing in this section prohibits a nonprofit corporation from making independent
24 expenditures from its treasury funds if the nonprofit corporation:

25 (a) Was formed for the express purpose of promoting political ideas;

26 (b) Was not formed by one or more business entities or labor organizations;

27 (c) Does not engage in business activities except those incidental to its political purpose;

28 (d) Has no shareholders or other individuals or persons affiliated so as to have a claim
29 on its assets or income;

30 (e) Does not serve as a conduit for contributions or expenditures from other corpo-
31 rations, business entities or labor organizations; and

32 (f) Maintains the practice of not accepting monetary donations from any corporation or
33 labor organization.

34 (4) Nothing in this section prohibits a corporation, professional corporation, nonprofit
35 corporation, labor organization or person, other than an individual, from establishing or ad-
36 ministering a fund, separate and segregated from treasury funds, that operates as a political
37 committee, provided that not more than \$500 of treasury funds in a calendar year are used
38 to create or administer the fund.

39 (5) A candidate or a political committee may not receive a contribution prohibited by this
40 section.

41 **SECTION 6.** (1) Except as provided in subsection (2) or (3) of this section, the Secretary
42 of State or Attorney General may impose a civil penalty in the manner provided by ORS
43 260.995 for each violation of section 3, 4 or 5 of this 2010 Act.

44 (2) For a violation of section 3 or 5 of this 2010 Act, the Secretary of State or Attorney
45 General may impose a civil penalty not to exceed the greater of \$1,000 or three times the

1 amount of the prohibited contribution or the contribution made or received in excess of the
2 applicable limit.

3 (3) For a violation of section 4 of this 2010 Act, the Secretary of State or Attorney Gen-
4 eral may impose a civil penalty not to exceed the greater of \$1,000 or three times the amount
5 of the contribution or expenditure made.

6 (4) If a candidate or candidate's principal campaign committee violates any provision of
7 section 3 of this 2010 Act, the candidate and the candidate's treasurer are personally liable
8 for the penalty imposed under this section. If a political committee, other than a principal
9 campaign committee, violates any provision of section 3 of this 2010 Act, the directors of the
10 political committee are jointly and severally liable for the penalty imposed under this section.

11 **SECTION 7.** (1) An expenditure not qualifying as an independent expenditure is an in-kind
12 contribution to the candidate or the principal campaign committee of the candidate and an
13 expenditure by the candidate or the principal campaign committee of the candidate.

14 (2) For purposes of the contribution limits established by section 3 of this 2010 Act, the
15 amount of an expenditure not qualifying as an independent expenditure counts against the
16 contribution limits of the person or political committee except that the contribution limits
17 described in section 3 of this 2010 Act increase by 50 percent if contributions over the initial
18 limit are in-kind contributions.

19 (3) A person or political committee may not report an expenditure as an independent
20 expenditure if the expenditure does not qualify as an independent expenditure under ORS
21 260.005.

22 **SECTION 8.** ORS 260.005 is amended to read:

23 260.005. As used in this chapter:

24 (1)(a) "Candidate" means:

25 (A) An individual whose name is printed on a ballot, for whom a declaration of candidacy,
26 nominating petition or certificate of nomination to public office has been filed or whose name is
27 expected to be or has been presented, with the individual's consent, for nomination or election to
28 public office;

29 (B) An individual who has solicited or received and accepted a contribution, made an expendi-
30 ture, or given consent to an individual, organization, political party or political committee to solicit
31 or receive and accept a contribution or make an expenditure on the individual's behalf to secure
32 nomination or election to any public office at any time, whether or not the office for which the in-
33 dividual will seek nomination or election is known when the solicitation is made, the contribution
34 is received and retained or the expenditure is made, and whether or not the name of the individual
35 is printed on a ballot; or

36 (C) A public office holder against whom a recall petition has been completed and filed.

37 (b) For purposes of this section and ORS 260.035 to 260.156, "candidate" does not include a
38 candidate for the office of precinct committeeperson.

39 (2) "Committee director" means any person who directly and substantially participates in
40 decision-making on behalf of a political committee concerning the solicitation or expenditure of
41 funds and the support of or opposition to candidates or measures. The officers of a political party
42 shall be considered the directors of any political party committee of that party, unless otherwise
43 provided in the party's bylaws.

44 (3) Except as provided in ORS 260.007, "contribute" or "contribution" includes:

45 (a) The payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compen-

1 sation or consideration, of money, services other than personal services for which no compensation
2 is asked or given, supplies, equipment or any other thing of value:

3 (A) For the purpose of influencing an election for public office or an election on a measure, or
4 of reducing the debt of a candidate for nomination or election to public office or the debt of a pol-
5 itical committee; or

6 (B) To or on behalf of a candidate, political committee or measure;

7 (b) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforcea-
8 ble, to make a contribution; and

9 (c) The excess value of a contribution made for compensation or consideration of less than
10 equivalent value.

11 (4) "Controlled committee" means a political committee that, in connection with the making of
12 contributions or expenditures:

13 (a) Is controlled directly or indirectly by a candidate or a controlled committee; or

14 (b) Acts jointly with a candidate or controlled committee.

15 (5) "Controlled directly or indirectly by a candidate" means:

16 (a) The candidate, the candidate's agent, a member of the candidate's immediate family or any
17 other political committee that the candidate controls has a significant influence on the actions or
18 decisions of the political committee; or

19 (b) The candidate's principal campaign committee and the political committee both have the
20 candidate or a member of the candidate's immediate family as a treasurer or director.

21 (6) "County clerk" means the county clerk or the county official in charge of elections.

22 (7) "Elector" means an individual qualified to vote under section 2, Article II of the Oregon
23 Constitution.

24 (8) Except as provided in ORS 260.007, "expend" or "expenditure" includes the payment or fur-
25 nishing of money or anything of value or the incurring or repayment of indebtedness or obligation
26 by or on behalf of a candidate, political committee or person in consideration for any services,
27 supplies, equipment or other thing of value performed or furnished for any reason, including support
28 of or opposition to a candidate, political committee or measure, or for reducing the debt of a can-
29 didate for nomination or election to public office. "Expenditure" also includes contributions made
30 by a candidate or political committee to or on behalf of any other candidate or political committee.

31 (9) "Filing officer" means:

32 (a) The Secretary of State:

33 (A) Regarding a candidate for public office;

34 (B) Regarding a statement required to be filed under ORS 260.118;

35 (C) Regarding any measure; or

36 (D) Regarding any political committee.

37 (b) In the case of an irrigation district formed under ORS chapter 545, "filing officer" means:

38 (A) The county clerk, regarding any candidate for office or any measure at an irrigation district
39 formation election where the proposed district is situated wholly in one county;

40 (B) The county clerk of the county in which the office of the secretary of the proposed irrigation
41 district will be located, regarding any candidate for office or any measure at an irrigation district
42 formation election where the proposed district is situated in more than one county; or

43 (C) The secretary of the irrigation district for any election other than an irrigation district
44 formation election.

45 (10) "Independent expenditure" means an expenditure by a person for a communication in sup-

1 port of or in opposition to a clearly identified candidate or measure that is not made with the co-
 2 operation or with the prior consent of, or in consultation with, or at the request or suggestion of,
 3 a candidate or any agent or authorized committee of the candidate, or any political committee or
 4 agent of a political committee supporting or opposing a measure. For purposes of this subsection:

5 (a) "Agent" means any person who has:

6 (A) Actual oral or written authority, either express or implied, to make or to authorize the
 7 making of expenditures on behalf of a candidate or on behalf of a political committee supporting or
 8 opposing a measure; or

9 (B) Been placed in a position within the campaign organization where it would reasonably ap-
 10 pear that in the ordinary course of campaign-related activities the person may authorize expen-
 11 ditures.

12 (b)(A) "Clearly identified" means, with respect to candidates:

13 (i) The name of the candidate involved appears;

14 (ii) A photograph or drawing of the candidate appears; or

15 (iii) The identity of the candidate is apparent by unambiguous reference.

16 (B) "Clearly identified" means, with respect to measures:

17 (i) The ballot number of the measure appears;

18 (ii) A description of the measure's subject or effect appears; or

19 (iii) The identity of the measure is apparent by unambiguous reference.

20 (c) "Communication in support of or in opposition to a clearly identified candidate or measure"
 21 means:

22 (A) The communication, taken in its context, clearly and unambiguously urges the election or
 23 defeat of a clearly identified candidate for nomination or election to public office, or the passage
 24 or defeat of a clearly identified measure;

25 (B) The communication, as a whole, seeks action rather than simply conveying information; and

26 (C) It is clear what action the communication advocates.

27 (d) "Made with the cooperation or with the prior consent of, or in consultation with, or at the
 28 request or suggestion of, a candidate or any agent or authorized committee of the candidate, or any
 29 political committee or agent of a political committee supporting or opposing a measure":

30 (A) Means any arrangement, coordination or direction by the candidate or the candidate's agent,
 31 or by any political committee or agent of a political committee supporting or opposing a measure,
 32 prior to the publication, distribution, display or broadcast of the communication. An expenditure
 33 shall be presumed to be so made when it is:

34 (i) Based on information about the plans, projects or needs of the candidate, or of the political
 35 committee supporting or opposing a measure, and provided to the expending person by the candidate
 36 or by the candidate's agent, or by any political committee or agent of a political committee sup-
 37 porting or opposing a measure, with a view toward having an expenditure made; or

38 (ii) Made by or through any person who is or has been authorized to raise or expend funds, who
 39 is or has been an officer of a political committee authorized by the candidate or by a political
 40 committee or agent of a political committee supporting or opposing a measure, or who is or has been
 41 receiving any form of compensation or reimbursement from the candidate, the candidate's principal
 42 campaign committee or agent or from any political committee or agent of a political committee
 43 supporting or opposing a measure.

44 (B) Does not mean providing to the expending person upon request a copy of this chapter or any
 45 rules adopted by the Secretary of State relating to independent expenditures.

1 (11) "Initiative petition" means a petition to initiate a measure for which a prospective petition
2 has been filed but that is not yet a measure.

3 (12) **"Labor organization" means any organization of any kind, or any agency or employee
4 representation committee or plan, in which employees participate and that exists for the
5 purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes,
6 wages, rates of pay, hours of employment or conditions of work.**

7 [(12)] (13) "Judge" means judge of the Supreme Court, Court of Appeals, circuit court or the
8 Oregon Tax Court.

9 [(13)] (14) "Mass mailing" means more than 200 substantially similar pieces of mail, but does
10 not include a form letter or other mail that is sent in response to an unsolicited request, letter or
11 other inquiry.

12 [(14)] (15) "Measure" includes any of the following submitted to the people for their approval
13 or rejection at an election:

14 (a) A proposed law.

15 (b) An Act or part of an Act of the Legislative Assembly.

16 (c) A revision of or amendment to the Oregon Constitution.

17 (d) Local, special or municipal legislation.

18 (e) A proposition or question.

19 [(15)] (16) "Occupation" means:

20 (a) The nature of an individual's principal business; and

21 (b) If the individual is employed by another person, the business name and address, by city and
22 state, of the employer.

23 [(16)] (17) "Person" means an individual, corporation, limited liability company, labor organiza-
24 tion, association, firm, partnership, joint stock company, club, organization or other combination of
25 individuals having collective capacity.

26 [(17)] (18) "Petition committee" means an initiative, referendum or recall petition committee
27 organized under ORS 260.118.

28 [(18)] (19) "Political committee" means a combination of two or more individuals, or a person
29 other than an individual, that has:

30 (a) Received a contribution for the purpose of supporting or opposing a candidate, measure or
31 political party; or

32 (b) Made an expenditure for the purpose of supporting or opposing a candidate, measure or
33 political party. For purposes of this paragraph, an expenditure does not include:

34 (A) A contribution to a candidate or political committee that is required to report the contri-
35 bution on a statement filed under ORS 260.057, 260.076 or 260.102 or a certificate filed under ORS
36 260.112; or

37 (B) An independent expenditure for which a statement is required to be filed by a person under
38 ORS 260.044.

39 [(19)] (20) "Public office" means any national, state, county, district, city office or position, ex-
40 cept a political party office, that is filled by the electors.

41 [(20)] (21) "Recall petition" means a petition to recall a public officer for which a prospective
42 petition has been filed but that is not yet a measure.

43 [(21)] (22) "Referendum petition" means a petition to refer a measure for which a prospective
44 petition has been filed but that is not yet a measure.

45 [(22)] (23) "Regular district election" means the regular district election described in ORS

1 255.335.

2 [(23)] (24) "Slate mailer" means a mass mailing that supports or opposes a total of three or more
3 candidates or measures.

4 [(24)(a)] (25)(a) "Slate mailer organization" means any person who directly or indirectly:

5 (A) Is involved in the production of one or more slate mailers and exercises control over the
6 selection of the candidates and measures to be supported or opposed in the slate mailers; and

7 (B) Receives or is promised payment for producing one or more slate mailers or for endorsing
8 or opposing, or refraining from endorsing or opposing, a candidate or measure in one or more slate
9 mailers.

10 (b) "Slate mailer organization" does not include:

11 (A) A political committee organized by a political party; or

12 (B) A political committee organized by the caucus of either the Senate or the House of Repre-
13 sentatives of the Legislative Assembly.

14 (26) "Small donor committee" means a political committee that:

15 (a) Accepts contributions only from individuals;

16 (b) Does not accept contributions from individuals that exceed an aggregate of \$100 with
17 respect to a single election;

18 (c) Does not make expenditures to support or oppose measures; and

19 (d) Does not make contributions to political committees organized exclusively to support
20 or oppose a measure.

21 [(25)] (27) "State office" means the office of Governor, Secretary of State, State Treasurer, At-
22 torney General, Commissioner of the Bureau of Labor and Industries, Superintendent of Public In-
23 struction, state Senator, state Representative, judge or district attorney.

24 (28) "With respect to a single election" means, in the case of a contribution to a candi-
25 date for public office:

26 (a) The next election for nomination or election to that public office, other than national
27 or political party office, after the contribution is made; or

28 (b) If the contribution is made after an election and designated in writing by the con-
29 tributor for a previous election, the election so designated. A contribution may be designated
30 for a previous election under this subsection if the contribution does not exceed the ex-
31 penditure deficit of the candidate or principal campaign committee of the candidate receiving
32 the contribution.

33 **SECTION 9.** ORS 260.044 is amended to read:

34 260.044. (1) A person shall file a statement of independent expenditures if the person makes in-
35 dependent expenditures in a total amount of more than \$100 in a calendar year. The statement shall
36 be filed **electronically** with the Secretary of State **under ORS 260.057**.

37 (2) A **person shall file a** statement described in subsection (1) of this section [*shall be filed*] not
38 later than seven calendar days after the total **aggregate** amount of independent expenditures ex-
39 ceeds \$100 in a calendar year[.], **and thereafter:**

40 (a) **Not later than one calendar day after the person makes an independent expenditure**
41 **if the independent expenditure is made during the period beginning on the 42nd calendar day**
42 **before the date of any primary election and ending on the date of the primary election or the**
43 **period beginning on the 42nd calendar day before the date of any general election and ending**
44 **on the date of the general election.**

45 (b) **Except as provided in subsection (3) of this section, not later than seven calendar**

1 days after the person makes an independent expenditure if the independent expenditure is
 2 made during a period not described in paragraph (a) of this subsection.

3 (3) If a person makes an independent expenditure prior to the 42nd calendar day before
 4 the date of a primary or general election and the person has not filed a statement under
 5 subsection (2) of this section by the 43rd calendar day before the date of the primary or
 6 general election, the person must file a statement required under this section not later than
 7 the 35th calendar day before the date of the primary or general election.

8 (4) The accounting period for the statement required by subsection (1) of this section begins on
 9 the date that an independent expenditure is made.

10 (5) The statement shall specify the candidate or measure supported or opposed by the inde-
 11 pendent expenditure. The secretary by rule shall prescribe the form of the statement.

12 [(3)] (6) Notwithstanding ORS 260.005 [(18)] (19), a person who solicits and receives a contribu-
 13 tion or contributions is a political committee and shall file a statement of organization under ORS
 14 260.042 and the statements required by ORS 260.057 or 260.076.

15 [(4)] (7) For purposes of this section:

16 (a) An independent expenditure does not include a contribution to a candidate or political
 17 committee that is required to report the contribution on a statement filed under ORS 260.057,
 18 260.076 or 260.102 or a certificate filed under ORS 260.112;

19 (b) An independent expenditure does not include a contribution to a candidate who is not re-
 20 quired to file a statement of organization under ORS 260.043; and

21 (c) A person is not a political committee under subsection [(3)] (6) of this section if all contri-
 22 butions received by the person are:

23 (A) Designated to an identified candidate or political committee;

24 (B) Delivered by the person to the designated candidate or political committee not later than
 25 seven business days after the contribution is received; and

26 (C) Required to be reported as contributions by a candidate or political committee on a state-
 27 ment filed under ORS 260.057, 260.076 or 260.102 or a certificate filed under ORS 260.112.

28 **SECTION 10.** ORS 260.041 is amended to read:

29 260.041. (1) Notwithstanding ORS 260.005 [(18)] (19) and except as provided in ORS 260.043, a
 30 candidate shall designate a political committee as the candidate's principal campaign committee. A
 31 candidate may designate only one political committee as the candidate's principal campaign com-
 32 mittee.

33 (2) A political committee may not be designated as the principal campaign committee of more
 34 than one candidate.

35 **SECTION 11.** ORS 260.737 is amended to read:

36 260.737. (1) A slate mailer organization may not send a slate mailer unless all of the following
 37 are satisfied:

38 (a) The name and address of the slate mailer organization shall be shown on the outside of each
 39 piece of the slate mailer in a legible size and type.

40 (b) The following notice shall appear in a legible size and type at the top or bottom of the front
 41 side of the slate mailer:

42
 43
 44 NOTICE TO VOTERS
 45

1 THIS DOCUMENT WAS NOT PREPARED BY A POLITICAL PARTY COMMITTEE OR PARTY
 2 CAUCUS COMMITTEE.

3
 4 CANDIDATES AND MEASURES MARKED WITH AN * PAID FOR APPEARANCE IN THIS
 5 DOCUMENT.

6 _____
 7
 8 (c) Each candidate that has paid to appear in the slate mailer and each measure on whose behalf
 9 payment has been received to appear in the slate mailer shall be designated by an asterisk of legible
 10 size immediately following the name of the candidate or the name or number of the measure in each
 11 instance where the name of the candidate or the name or number of the measure appears in the
 12 slate mailer.

13 (2) The Secretary of State by rule shall define “legible size” and “legible size and type” as used
 14 in this section.

15 (3) For purposes of ORS 260.735 and this section, “address” means the address of a residence,
 16 office, headquarters or similar location where the slate mailer organization or a responsible officer
 17 of the slate mailer organization may be conveniently located. If the slate mailer organization is a
 18 political committee, the address shall be the address of the political committee included in the
 19 statement of organization under ORS 260.039 or 260.042.

20 (4) The Secretary of State by rule may define the term “payment” as used in this section and
 21 ORS 260.005 [(24)] (25) and 260.735.

22 **SECTION 12. Chapter 3, Oregon Laws 2007, is repealed.**

23 **SECTION 13. Sections 3 to 7 of this 2010 Act and the amendments to ORS 260.005, 260.041,
 24 260.044 and 260.737 by sections 8 to 11 of this 2010 Act apply to contributions and expenditures
 25 made on or after the effective date of this 2010 Act.**

26 **SECTION 14. If any part of this 2010 Act is held unconstitutional, the remaining parts
 27 shall remain in force unless the court specifically finds that the remaining parts, standing
 28 alone, are incomplete and incapable of being executed.**

29 **SECTION 15. This 2010 Act takes effect on the 91st day after the date on which the
 30 special session of the Seventy-fifth Legislative Assembly adjourns sine die.**