
MEMORANDUM

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To: General Government Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 25, 2013

Subject: HB 3523 Relating to election campaign finance
Work Session Recommendation

House Bill 3523 requires statements of independent expenditures to be filed using the Secretary of State's online campaign finance reporting system, ORESTAR. The following information would be required to be filed for an independent expenditure: (a) amount and purpose of the independent expenditure; (b) name and address of the payee, including the city, or county if the payee is not located in a city, and state in which the payee is located; (c) any candidates or measures supported or opposed by the independent expenditure.. The bill requires candidates, political committees, or petition committees reporting an in-kind expenditure in ORESTAR, to notify, within 48-hours, the candidate or committee for whom the in-kind contribution benefitted. The bill removes the requirement to report unfulfilled pledges as political contributions, and removes the requirement that statements of organization include campaign's bank account number.

The measure previously had hearings in the House Committee on Rules on 5/8/2013, 5/29/2013, and 6/24/2013. A public hearing was held in this committee on 6/13/2013.

The original staff measure summary and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

The amendment

The -A11 amendment removes the requirement that all contributions over \$1,000 be reported with 48 hours in the 14 days prior to an election.

Fiscal impact with the - A11 amendment

The fiscal impact of this bill is minimal. The Secretary of State will use existing staff and resources to comply with the provisions of this bill.

Recommendation

LFO recommends moving the - A11 amendment into the bill.

Motion

Motion: Senator/Representative_____:

I move the dash A11 amendment into HB 3523.

Recommendation

LFO recommends the measure with the dash A9 amendment be moved to the Full Committee as amended.

Motion

Motion: Senator/Representative_____:

I move HB 3523 with the dash A11 amendment to the Full Committee with a "do pass" recommendation as amended.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3523**

1 On page 2 of the printed A-engrossed bill, line 8, delete “14” and insert
2 “seven”.

3 In line 18, delete “28th” and insert “35th”.

4 In line 21, delete “14” and insert “seven”.

5 On page 3, line 8, delete “Except as provided in subsection (4) of this
6 section,”.

7 In line 11, restore the bracketed material and delete “14”.

8 In lines 18 through 21, restore the bracketed material.

9 In line 40, delete “(b)” and insert “(c)”.

10 In line 45, delete “28th” and insert “35th”.

11 On page 4, delete lines 2 through 27.

12 In line 28, delete “(6)” and insert “(4)”.

13 In line 33, delete “(7)(a)” and insert “(5)(a)”.

14 On page 5, line 2, delete “(8)(a)” and insert “(6)(a)”.

15 In line 8, delete “(9)” and insert “(7)”.

16 On page 6, line 38, restore the bracketed material and delete the boldfaced
17 material.

18 On page 7, line 1, restore the bracketed material and delete the boldfaced
19 material.

20 In line 20, restore the bracketed material and delete the boldfaced mate-
21 rial.

22 In line 21, restore the bracketed material and delete the boldfaced mate-

1 rial.

2

A-Engrossed
House Bill 3523

— All

Ordered by the House June 4
Including House Amendments dated June 4

Sponsored by Representatives MATTHEWS, KENY-GUYER, PARRISH, JENSON

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.

Requires statements of independent expenditures to be filed with Secretary of State using electronic filing system. Applies filing deadlines to additional statements of independent expenditures.

Requires campaign finance statement to be filed within two business days if **[contribution] aggregate amount of contributions** equaling or exceeding \$1,000 **from single donor** is received during 14-day period immediately preceding election. Adjusts other filing deadlines for campaign finance statements.

Requires candidate, political committee or petition committee that makes expenditure that must be reported by candidate or committee as in-kind contribution to provide written notice of expenditure to candidate or committee for whose benefit expenditure was made. Requires candidate or committee to give notice not later than 48 hours after time that original expenditure is reported in electronic filing system maintained by secretary.

Removes requirement to report unfulfilled pledges as political contributions.

Removes requirement that statements of organization include campaign's bank account number.

Becomes operative *[September 19, 2013]* **January 1, 2014.**

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to election campaign finance; creating new provisions; amending ORS 260.005, 260.039,
3 260.042, 260.044, 260.057, 260.083, 260.118 and 260.232; and declaring an emergency.

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

5 **SECTION 1.** ORS 260.044 is amended to read:

6 260.044. *[(1) A person shall file a statement of independent expenditures if the person makes inde-*
7 *pendent expenditures in a total amount of more than \$750 in a calendar year. The statement shall be*
8 *filed with the Secretary of State.]*

9 *[(2) A statement described in subsection (1) of this section shall be filed not later than seven cal-*
10 *endar days after the total amount of independent expenditures exceeds \$750 in a calendar year. The*
11 *accounting period for the statement required by subsection (1) of this section begins on the date that*
12 *an independent expenditure is made. The statement shall specify the candidate or measure supported*
13 *or opposed by the independent expenditure. The secretary by rule shall prescribe the form of the*
14 *statement.]*

15 **(1) If a person makes independent expenditures in a total amount of more than \$750 in**
16 **a calendar year, the person shall use the electronic filing system adopted under ORS 260.057**
17 **to file with the Secretary of State a statement of independent expenditures not later than**
18 **seven calendar days after the total amount of independent expenditures exceeds \$750 in a**
19 **calendar year.**

20 **(2) A person who files a statement of independent expenditures under subsection (1) of**

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 this section shall use the electronic filing system adopted under ORS 260.057 to file with the
2 secretary additional statements of independent expenditures made by the person, as de-
3 scribed in ORS 260.083.

4 (3) Except as provided in subsections (4) and (5) of this section, a person shall file a
5 statement described in subsection (2) of this section not later than 30 calendar days after
6 an independent expenditure is made.

7 (4)(a) A person shall file a statement described in subsection (2) of this section not later
8 than ~~14~~⁷ calendar days after an independent expenditure is made. This paragraph applies to
9 independent expenditures made:

10 (A) During the period beginning on the 42nd calendar day before the date of any primary
11 election and ending on the date of the primary election; and

12 (B) During the period beginning on the 42nd calendar day before the date of any general
13 election and ending on the date of the general election.

14 (b) If the person makes an independent expenditure prior to the 42nd calendar day before
15 the date of the primary or general election and the person has not filed a statement under
16 subsection (3) of this section by the 43rd calendar day before the date of the primary or
17 general election, the person shall file a statement described in subsection (2) of this section
18 not later than the ~~28th~~^{35th} calendar day before the date of the primary or general election.

19 (5) For any special election, the secretary by rule may establish a period during which a
20 person must file a statement described in subsection (2) of this section. The period may not
21 extend beyond ~~14~~⁷ calendar days after an independent expenditure is made.

22 [(3)] (6) Notwithstanding ORS 260.005 (18), a person who solicits and receives a contribution or
23 contributions is a political committee and shall file a statement of organization under ORS 260.042
24 and the statements required by ORS 260.057, [or] 260.076 or **260.078**.

25 [(4)] (7) For purposes of this section:

26 (a) An independent expenditure does not include a contribution to a candidate or political
27 committee that is required to report the contribution on a statement filed under ORS 260.057,
28 260.076, **260.078** or 260.102 or a certificate filed under ORS 260.112;

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

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

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

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

36 (C) Required to be reported as contributions by a candidate or political committee on a state-
37 ment filed under ORS 260.057, 260.076, **260.078** or 260.102 or a certificate filed under ORS 260.112.

38 **SECTION 2.** ORS 260.057 is amended to read:

39 260.057. (1) The Secretary of State by rule shall adopt an electronic filing system to be used by:

40 (a) All candidates and political committees to file with the secretary statements of contributions
41 received and expenditures made by the candidates and political committees, as described in ORS
42 260.083.

43 (b) Treasurers of [a petition committee] **petition committees** organized under ORS 260.118 to file
44 with the secretary statements of contributions received and expenditures made by the treasurers and
45 chief petitioners as described in ORS 260.083.

1 (c) Persons who make independent expenditures as provided in ORS 260.044 to file with
2 the secretary statements of independent expenditures made by the persons as described in
3 ORS 260.083.

4 (2) Except as otherwise provided in this section, a candidate or political committee shall
5 file a statement of contributions received and expenditures made described in subsection
6 (1)(a) of this section not later than 30 calendar days after a contribution is received or an
7 expenditure is made.

8 [(2)(a)] (3)(a) ~~Except as provided in subsection (4) of this section,~~ a candidate for nomination
9 or election at any primary or general election or a political committee supporting or opposing a
10 candidate or measure at any primary or general election shall file a statement described in sub-
11 section (1)(a) of this section not later than ~~seven~~ 14 calendar days after a contribution is received
12 or an expenditure is made. This paragraph applies to contributions received and expenditures
13 made:

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14 (A) During the period beginning on the 42nd calendar day before the date of any primary
15 election and ending on the date of the primary election; and

16 (B) During the period beginning on the 42nd calendar day before the date of any general
17 election and ending on the date of the general election.

18 [(b) For any special election, the secretary by rule may establish a period during which a candidate
19 for nomination or election at the special election or a political committee supporting or opposing a
20 candidate or measure at the special election must file a statement described in subsection (1) of this
21 section not later than seven calendar days after a contribution is received or an expenditure is made.]

Handwritten red mark: "H" over "5(a)"

22 [(3) Except as provided in subsection (4) of this section, during a period not described in subsection
23 (2) of this section, a candidate or political committee shall file a statement described in subsection (1)
24 of this section not later than 30 calendar days after a contribution is received or an expenditure is
25 made.]

26 [(4)(a) If a candidate for nomination or election at any primary election or a political committee
27 supporting or opposing a candidate or measure at any primary election receives a contribution or
28 makes an expenditure prior to the 42nd calendar day before the date of the primary election and the
29 candidate or political committee has not filed a statement of the contribution or expenditure under
30 subsection (3) of this section by the 43rd calendar day before the date of the primary election, the
31 candidate or political committee shall file a statement described in subsection (1) of this section not
32 later than the 35th calendar day before the date of the primary election.]

33 [(b) If a candidate for nomination or election at any general election or a political committee sup-
34 porting or opposing a candidate or measure at any general election receives a contribution or makes
35 an expenditure prior to the 42nd calendar day before the date of the general election and the candidate
36 or political committee has not filed a statement of the contribution or expenditure under subsection (3)
37 of this section by the 43rd calendar day before the date of the general election, the candidate or political
38 committee shall file a statement described in subsection (1) of this section not later than the 35th cal-
39 endar day before the date of the general election.]

40 (c) (b) If the candidate or political committee receives a contribution or makes an expendi-
41 ture prior to the 42nd calendar day before the date of the primary or general election and
42 the candidate or political committee has not filed a statement of the contribution or ex-
43 penditure under subsection (2) of this section by the 43rd calendar day before the date of the
44 primary or general election, the candidate or political committee shall file a statement de-
45 scribed in subsection (1)(a) of this section not later than the ~~28th~~^{35th} calendar day before the

Handwritten red mark: "35th" over "28th"

1 date of the primary or general election.

2 ~~(4)(a) A candidate for nomination or election at any primary or general election or a~~
 3 ~~political committee supporting or opposing a candidate or measure at any primary or general~~
 4 ~~election shall file a statement of contributions received not later than two business days af-~~
 5 ~~ter a contribution is received that brings the aggregate amount of contributions received~~
 6 ~~from a single donor during the period to \$1,000 or more, and for each subsequent contribu-~~
 7 ~~tion received from the donor thereafter. This paragraph applies to contributions received:~~

8 ~~(A) During the period beginning on the 14th calendar day before the date of any primary~~
 9 ~~election and ending on the date of the primary election; and~~

10 ~~(B) During the period beginning on the 14th calendar day before the date of any general~~
 11 ~~election and ending on the date of the general election.~~

12 ~~(b) If the candidate or political committee receives an aggregate amount of contributions~~
 13 ~~from a single donor that totals \$1,000 or more prior to the 14th calendar day before the date~~
 14 ~~of the primary or general election and the candidate or political committee has not filed a~~
 15 ~~statement of the contributions under subsection (3) of this section by the 15th calendar day~~
 16 ~~before the date of the primary or general election, the candidate or political committee shall~~
 17 ~~file a statement of contributions received not later than the 12th calendar day before the~~
 18 ~~date of the primary or general election.~~

19 ~~(5) For any special election, the secretary by rule may establish a period during which a~~
 20 ~~candidate for nomination or election at the special election or a political committee sup-~~
 21 ~~porting or opposing a candidate or measure at the special election must file a statement~~
 22 ~~described in subsection (1)(a) of this section. The period may not extend beyond:~~

23 ~~(a) Fourteen calendar days after a contribution is received or an expenditure is made;~~
 24 ~~and~~

25 ~~(b) Two business days after a contribution is received, if the aggregate amount of con-~~
 26 ~~tributions received from a single donor during the special election period equals or exceeds~~
 27 ~~\$1,000.~~

28 ⁽⁴⁾ [(5)] ~~(6)~~ The electronic filing system shall be provided free of charge by the secretary and
 29 shall:

30 (a) Accept electronic files that conform to the format prescribed by the secretary by rule; or

31 (b) Be compatible with any other electronic filing application provided or approved by the sec-
 32 retary. ⁽⁵⁾

33 [(6)(a)] ~~(7)(a)~~ Except as provided in paragraph (b) of this subsection, the secretary shall make
 34 all data filed electronically under **subsection (1)(a) of this section** [and *ORS 260.118*] and all in-
 35 formation filed with the secretary under ORS 260.045, 260.049, 260.085 or 260.102 available on the
 36 Internet to the public free of charge according to a schedule adopted by the secretary by rule. The
 37 secretary shall make the data available in a searchable database that is easily accessible by the
 38 public. When the secretary makes data or information available on the Internet under this sub-
 39 section, the secretary shall display any contribution received from a person or political committee
 40 with an out-of-state address in a different colored font than a contribution received from a person
 41 or political committee with an in-state address.

42 (b) The secretary may not make data that are filed electronically under **subsection (1)(a) of**
 43 **this section** [or *ORS 260.118*] available to the public under this section, unless the data are required
 44 to be listed under ORS 260.083. The secretary may not disclose under ORS 192.410 to 192.505 any
 45 data that are filed electronically under **subsection (1)(a) of this section** [or *ORS 260.118*], unless

1 the data are required to be listed under ORS 260.083.

2 [(7)(a)]-~~(8)(a)~~⁽⁶⁾ Except as provided in paragraph (b) of this subsection, each statement required
3 by this section shall be signed and certified as true by the candidate or treasurer required to file
4 it. Signatures shall be supplied in the manner specified by the secretary by rule.

5 (b) A candidate or treasurer may designate an individual to sign and certify as true a statement
6 required by this section. The designation must be filed in writing with the secretary and must be
7 renewed for each two-year period beginning January 1 of an even-numbered year.

8 [(8)] ~~(9)~~⁽⁷⁾ This section does not apply to:

9 (a) Candidates for federal office;

10 (b) Candidates who are not required to file a statement of organization under ORS 260.043; or

11 (c) Candidates, political committees or petition committees that file certificates under ORS
12 260.112.

13 **SECTION 3.** ORS 260.083 is amended to read:

14 260.083. (1)(a) **For a contribution, except as provided in ORS 260.085**, a statement filed under
15 ORS **260.044**, 260.057, 260.076, **260.078** or 260.118 shall list:

16 [(a) *Except as provided in ORS 260.085, for a contribution:*]

17 (A) The name, occupation and address of each person, and the name and address of each poli-
18 tical committee or petition committee, that contributed an aggregate amount of more than \$100 in
19 a calendar year on behalf of a candidate or to a political committee or petition committee and the
20 total amount contributed by that person or committee; and

21 (B) The total amount of other contributions as a single item, but shall specify how those con-
22 tributions were obtained.

23 (b) For an expenditure, **including an independent expenditure, a statement filed under ORS**
24 **260.044, 260.057, 260.076, 260.078 or 260.118 shall list:**

25 (A) The amount and purpose of each expenditure made in an aggregate amount of more than
26 \$100 to a payee, the name or, if applicable, the business name of the payee of the expenditure, and
27 the city, or county if the payee is not located in a city, and state in which the payee is located; and

28 (B) The total amount of other expenditures as a single item.

29 (c) **For** each loan, whether repaid or not, made by or to [*the*] **a** candidate, political committee
30 or petition committee[. *The*], **a statement filed under ORS 260.044, 260.057, 260.076, 260.078 or**
31 **260.118 shall list:**

32 (A) The name and address of each person shown as a cosigner or guarantor on a loan and the
33 amount of the obligation undertaken by each cosigner or guarantor;

34 (B) The name of the lender holding the loan; and

35 (C) The terms of the loan, including the interest rate and repayment schedule.

36 [(2)(a) *A contribution shall be reported as an account receivable only if the contribution is not re-*
37 *ceived within the time specified in ORS 260.057, 260.076 or 260.118.*]

38 [(b)] **(2)** An expenditure shall be reported as an account payable only if the expenditure is not
39 paid within the time specified in ORS 260.057, 260.076 or 260.118.

40 (3) Anything of value paid for or contributed by any person shall be listed as both an in-kind
41 contribution and an expenditure by the candidate or committee for whose benefit the payment or
42 contribution was made.

43 (4) If a candidate, political committee or petition committee under ORS 260.057 or 260.118 makes
44 an expenditure that must be reported as an in-kind contribution and an expenditure as provided in
45 subsection (3) of this section, the candidate, political committee or petition committee making the

1 original expenditure shall, in any statement filed under ORS 260.057, **260.078** or 260.118, identify the
2 expenditure as an in-kind contribution and identify the candidate, political committee or petition
3 committee for whose benefit the expenditure was made.

4 (5) If a political committee makes an expenditure that qualifies as an independent expenditure
5 under ORS 260.005 (10), the listing of the expenditure under this section shall identify any candi-
6 dates or measures that are the subject of the independent expenditure and state whether the inde-
7 pendent expenditure was used to advocate the election, passage or defeat of the candidates or
8 measures.

9 (6) As used in this section:

10 (a) "Address" has the meaning given that term in rules adopted by the Secretary of State.

11 (b) "Contribution" and "expenditure" include a contribution or expenditure to or on behalf of
12 an initiative, referendum or recall petition.

13 **SECTION 4.** ORS 260.118 is amended to read:

14 260.118. (1) The chief petitioners of an initiative, referendum or recall petition shall appoint a
15 treasurer. The treasurer shall be an elector of this state. Contributions shall be received and
16 expenditures made by or through the treasurer.

17 (2) The treasurer shall file a statement of organization of a petition committee with the appro-
18 priate filing officer. The treasurer shall file the statement not later than the third business day after
19 a chief petitioner or the treasurer receives a contribution or makes an expenditure relating to the
20 initiative, referendum or recall petition. The statement shall include:

21 (a) The name and address of the chief petitioners.

22 (b) The name and address of the treasurer appointed under subsection (1) of this section.

23 (c) A designation of the initiative, referendum or recall petition. The designation of the recall
24 petition shall include the name of the officer whose recall is demanded.

25 (d) The name of the financial institution in which the petition account required under ORS
26 260.054 is established, the name [*and number*] of the account, the name of the account holder and
27 the names of all individuals who have signature authority for the account. The Secretary of State
28 may not disclose information received by the secretary under this paragraph except as necessary for
29 purposes of enforcing the provisions of ORS chapters 246 to 260.

30 (3) If there is a change in the information submitted in a statement of organization under sub-
31 section (2) of this section, the treasurer shall file an amended statement of organization not later
32 than the 10th day after the change in information.

33 (4) The treasurer of an initiative, referendum or recall petition committee shall use the elec-
34 tronic filing system adopted under ORS 260.057 to file with the Secretary of State statements of
35 contributions received and expenditures made by the petition committee, as described in ORS
36 260.083.

37 (5) The treasurer of an initiative petition committee shall file a statement described in sub-
38 section (4) of this section not later than ~~[seven]-14~~ calendar days after a contribution is received or stet
39 an expenditure is made. This subsection applies to contributions received and expenditures made:

40 (a) During the period beginning on the 42nd calendar day before the date that is four months
41 before a general election and ending on the date that is four months before a general election; and

42 (b) During the period beginning on the 42nd calendar day before the date of any primary
43 election and ending on the date of the primary election and the period beginning on the 42nd cal-
44 endar day before the date of any general election and ending on the date of the general election.

45 (6) The treasurer of a referendum petition committee or a recall petition committee shall file a

1 statement described in subsection (4) of this section not later than ~~seven~~¹⁴ calendar days after a stet
2 contribution is received or an expenditure is made. This subsection applies:

3 (a) For a referendum petition committee, to contributions received and expenditures made during
4 the period beginning on the date the treasurer is appointed under subsection (1) of this section and
5 ending on the deadline for submitting signatures for verification; and

6 (b) For a recall petition committee, to contributions received and expenditures made during the
7 period beginning on the day after the date on which the statement of contributions received and
8 expenditures made that is required under ORS 249.865 is filed and ending on the deadline for sub-
9 mitting signatures for verification.

10 (7) Except as provided in subsection (8) of this section, during a period not described in sub-
11 section (5) or (6) of this section, a treasurer of an initiative, referendum or recall petition committee
12 shall file a statement described in subsection (4) of this section not later than 30 calendar days after
13 a contribution is received or an expenditure is made.

14 (8) If a treasurer of an initiative petition committee receives a contribution or makes an ex-
15 penditure prior to the 42nd calendar day before the date that is four months before a general
16 election, or the 42nd day before the date of the primary election or general election, and the treas-
17 urer has not filed a statement of the contribution or expenditure under subsection (4) of this section
18 by the 43rd calendar day before the date that is four months before a general election, or the 43rd
19 day before the date of the primary election or general election, the treasurer shall file a statement
20 described in subsection (4) of this section not later than the ~~35th~~^{28th} calendar day before the date stet
21 that is four months before a general election, or the ~~35th~~^{28th} day before the date of the primary
22 election or general election.

23 (9) For an initiative petition committee, the accounting period for the first statement filed under
24 this section begins on the date the treasurer is appointed under subsection (1) of this section.

25 (10) Each statement required under this section shall be signed and certified as true by the
26 treasurer. Signatures shall be supplied in the manner specified by the secretary by rule.

27 (11) Subsections (4) to (10) of this section do not apply to petition committees that file certif-
28 icates under ORS 260.112.

29 (12) As used in this section, "contribution" and "expenditure" include a contribution or ex-
30 penditure to or on behalf of an initiative, referendum or recall petition.

31 **SECTION 5.** ORS 260.232 is amended to read:

32 260.232. (1) The Secretary of State may impose a civil penalty as provided in this section, in
33 addition to any other penalty that may be imposed, for:

34 (a) Failure to file a statement or certificate required to be filed under ORS 260.044, 260.057,
35 260.076, 260.078, 260.083, 260.102, 260.112 or 260.118.

36 (b) Failure to include in a statement filed under ORS **260.044**, 260.057, 260.076, 260.078, 260.083,
37 260.102, 260.112 or 260.118 the information required under ORS **260.044**, 260.057, 260.076, 260.083,
38 260.102 or 260.118.

39 (2)(a) If a person required to file has not filed a statement or certificate complying with appli-
40 cable provisions of ORS 260.044, 260.057, 260.076, 260.078, 260.083, 260.085, 260.102, 260.112 or
41 260.118 within the time specified in ORS 260.044, 260.057, 260.076, 260.078 or 260.118, the Secretary
42 of State by first class mail shall notify the person that a penalty may be imposed and that the person
43 has 20 days from the service date on the notice to request a hearing before the Secretary of State.

44 (b) If the person required to file is a candidate or the principal campaign committee of a can-
45 didate, the Secretary of State shall send the notice described in paragraph (a) of this subsection by

1 first class mail to the candidate and to the candidate's treasurer or the treasurer of the candidate's
2 principal campaign committee. The notice sent to the candidate shall be used for purposes of de-
3 termining the deadline for requesting a hearing under subsection (3) of this section. The Secretary
4 of State is not required to send two notices if the candidate serves as the treasurer of the
5 candidate's principal campaign committee.

6 (3) A hearing on whether to impose a civil penalty and to consider circumstances in mitigation
7 shall be held by the Secretary of State:

8 (a) Upon request of the person against whom the penalty may be assessed, if the request is made
9 not later than the 20th day after the person received the notice sent under subsection (2) of this
10 section;

11 (b) Upon request of the filing officer with whom a statement or certificate was required to be
12 filed but was not filed; or

13 (c) Upon the Secretary of State's own motion.

14 (4) A hearing under subsection (3) of this section shall be held not later than 45 days after the
15 deadline for the person against whom the penalty may be assessed to request a hearing. However,
16 if requested by the person against whom the penalty may be assessed, a hearing under subsection
17 (3) of this section shall be held not later than 60 days after the deadline for the person against whom
18 the penalty may be assessed to request a hearing.

19 (5) The Secretary of State shall issue an order not later than 90 days after a hearing or after
20 the deadline for requesting a hearing if no hearing is held.

21 (6) The person against whom a penalty may be assessed need not appear in person at a hearing
22 held under this section, but instead may submit written testimony and other evidence, subject to the
23 penalty for false swearing, to the Secretary of State for entry in the hearing record. The testimony
24 and other evidence must be received by the secretary not later than three business days before the
25 day of the hearing and may be submitted electronically.

26 (7) A civil penalty imposed under this section may not be more than the following:

27 (a) For failure to file a statement or certificate required to be filed under ORS 260.044, 260.057,
28 260.076, 260.078, 260.083, 260.102, 260.112 or 260.118, 10 percent of the total amount of the contri-
29 bution or expenditure required to be included in the statement or certificate; or

30 (b) For each failure to include in a statement filed under ORS **260.044**, 260.057, 260.076, 260.078,
31 260.083, 260.102, 260.112 or 260.118 the information required under ORS **260.044**, 260.057, 260.076,
32 260.083, 260.102 or 260.118, 10 percent of the total amount of the contribution or expenditure re-
33 quired to be included in the statement.

34 (8) The Secretary of State, upon a showing of mitigating circumstances, may reduce the amount
35 of the penalty described in subsection (7) of this section.

36 (9) Except as otherwise provided by this section, civil penalties under this section shall be im-
37 posed as provided in ORS 183.745.

38 **SECTION 6. Section 7 of this 2013 Act is added to and made a part of ORS chapter 260.**

39 **SECTION 7. (1) If a candidate, political committee or petition committee under ORS**
40 **260.057 or 260.118 makes an expenditure that must be reported as both an in-kind contribu-**
41 **tion and an expenditure by the candidate, political committee or petition committee for**
42 **whose benefit the expenditure was made as provided in ORS 260.083 (3), the candidate, poli-**
43 **tical committee or petition committee making the original expenditure shall:**

44 (a) **Notify the candidate or committee for whose benefit the expenditure was made in**
45 **writing that the expenditure was made; and**

1 **(b) Deliver the notice not later than 48 hours after the time that the candidate, political**
2 **committee or petition committee making the original expenditure includes the expenditure**
3 **in a statement under ORS 260.057.**

4 **(2) The Secretary of State shall adopt rules requiring expenditures that must be reported**
5 **as both an in-kind contribution and an expenditure by the candidate, political committee or**
6 **petition committee for whose benefit the expenditure was made to be highlighted in an**
7 **identifiable color in the electronic filing system required under ORS 260.057.**

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

9 260.005. As used in this chapter:

10 (1)(a) “Candidate” means:

11 (A) An individual whose name is printed on a ballot, for whom a declaration of candidacy,
12 nominating petition or certificate of nomination to public office has been filed or whose name is
13 expected to be or has been presented, with the individual’s consent, for nomination or election to
14 public office;

15 (B) An individual who has solicited or received and accepted a contribution, made an expendi-
16 ture, or given consent to an individual, organization, political party or political committee to solicit
17 or receive and accept a contribution or make an expenditure on the individual’s behalf to secure
18 nomination or election to any public office at any time, whether or not the office for which the in-
19 dividual will seek nomination or election is known when the solicitation is made, the contribution
20 is received and retained or the expenditure is made, and whether or not the name of the individual
21 is printed on a ballot; or

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

23 (b) For purposes of this section and ORS 260.035 to 260.156, “candidate” does not include a
24 candidate for the office of precinct committeeperson.

25 (2) “Committee director” means any person who directly and substantially participates in
26 decision-making on behalf of a political committee concerning the solicitation or expenditure of
27 funds and the support of or opposition to candidates or measures. The officers of a political party
28 shall be considered the directors of any political party committee of that party, unless otherwise
29 provided in the party’s bylaws.

30 (3) Except as provided in ORS 260.007, “contribute” or “contribution” includes:

31 (a) The payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compen-
32 sation or consideration, of money, services other than personal services for which no compensation
33 is asked or given, supplies, equipment or any other thing of value:

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

37 (B) To or on behalf of a candidate, political committee or measure; **and**

38 ***[(b) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforceable,***
39 ***to make a contribution; and]***

40 ***[(c)]*** (b) The excess value of a contribution made for compensation or consideration of less than
41 equivalent value.

42 (4) “Controlled committee” means a political committee that, in connection with the making of
43 contributions or expenditures:

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

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

1 (5) “Controlled directly or indirectly by a candidate” means:

2 (a) The candidate, the candidate’s agent, a member of the candidate’s immediate family or any
3 other political committee that the candidate controls has a significant influence on the actions or
4 decisions of the political committee; or

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

7 (6) “County clerk” means the county clerk or the county official in charge of elections.

8 (7) “Elector” means an individual qualified to vote under **Article II**, section 2, [*Article II*] of the
9 Oregon Constitution.

10 (8) Except as provided in ORS 260.007, “expend” or “expenditure” includes the payment or fur-
11 nishing of money or anything of value or the incurring or repayment of indebtedness or obligation
12 by or on behalf of a candidate, political committee or person in consideration for any services,
13 supplies, equipment or other thing of value performed or furnished for any reason, including support
14 of or opposition to a candidate, political committee or measure, or for reducing the debt of a candi-
15 dicate for nomination or election to public office. “Expenditure” also includes contributions made
16 by a candidate or political committee to or on behalf of any other candidate or political committee.

17 (9) “Filing officer” means:

18 (a) The Secretary of State:

19 (A) Regarding a candidate for public office;

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

21 (C) Regarding any measure; or

22 (D) Regarding any political committee.

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

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

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

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

31 (10) “Independent expenditure” means an expenditure by a person for a communication in sup-
32 port of or in opposition to a clearly identified candidate or measure that is not made with the co-
33 operation or with the prior consent of, or in consultation with, or at the request or suggestion of,
34 a candidate or any agent or authorized committee of the candidate, or any political committee or
35 agent of a political committee supporting or opposing a measure. For purposes of this subsection:

36 (a) “Agent” means any person who has:

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

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

43 (b)(A) “Clearly identified” means, with respect to candidates:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (ii) Made by or through any person who is or has been authorized to raise or expend funds, who
25 is or has been an officer of a political committee authorized by the candidate or by a political
26 committee or agent of a political committee supporting or opposing a measure, or who is or has been
27 receiving any form of compensation or reimbursement from the candidate, the candidate's principal
28 campaign committee or agent or from any political committee or agent of a political committee
29 supporting or opposing a measure.

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

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

34 (12) "Judge" means judge of the Supreme Court, Court of Appeals, circuit court or the Oregon
35 Tax Court.

36 (13) "Mass mailing" means more than 200 substantially similar pieces of mail, but does not in-
37 clude a form letter or other mail that is sent in response to an unsolicited request, letter or other
38 inquiry.

39 (14) "Measure" includes any of the following submitted to the people for their approval or re-
40 jection at an election:

41 (a) A proposed law.

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

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

44 (d) Local, special or municipal legislation.

45 (e) A proposition or question.

1 (15) "Occupation" means:

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

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

5 (16) "Person" means an individual, corporation, limited liability company, labor organization,
6 association, firm, partnership, joint stock company, club, organization or other combination of indi-
7 viduals having collective capacity.

8 (17) "Petition committee" means an initiative, referendum or recall petition committee organized
9 under ORS 260.118.

10 (18) "Political committee" means a combination of two or more individuals, or a person other
11 than an individual, that has:

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

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

16 (A) A contribution to a candidate or political committee that is required to report the contri-
17 bution on a statement filed under ORS 260.057, 260.076 or 260.102 or a certificate filed under ORS
18 260.112; or

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

21 (19) "Public office" means any national, state, county, district, city office or position, except a
22 political party office, that is filled by the electors.

23 (20) "Recall petition" means a petition to recall a public officer for which a prospective petition
24 has been filed but that is not yet a measure.

25 (21) "Referendum petition" means a petition to refer a measure for which a prospective petition
26 has been filed but that is not yet a measure.

27 (22) "Regular district election" means the regular district election described in ORS 255.335.

28 (23) "State office" means the office of Governor, Secretary of State, State Treasurer, Attorney
29 General, Commissioner of the Bureau of Labor and Industries, state Senator, state Representative,
30 judge or district attorney.

31 **SECTION 9.** ORS 260.039 is amended to read:

32 260.039. (1) Except as provided in ORS 260.043, a candidate who serves as the candidate's own
33 treasurer, or the treasurer of the principal campaign committee, shall file a statement of organiza-
34 tion with the filing officer. The statement shall include:

35 (a) The name, address, occupation, office sought and party affiliation of the candidate. The ad-
36 dress shall be the address of a residence, office, headquarters or similar location where the candi-
37 date may be conveniently located.

38 (b) In the case of a principal campaign committee:

39 (A) The name and address of the committee. The address shall be the address of a residence,
40 office, headquarters or similar location where the political committee or a responsible officer of the
41 political committee may be conveniently located.

42 (B) The name, address and occupation of the committee director or directors, if any.

43 (C) The name and address of the committee treasurer.

44 (D) The name and address of any other political committee of which two or more committee
45 directors are also directors of the committee filing the statement.

1 (c) The name of the financial institution in which the campaign account required under ORS
2 260.054 is established, the name [*and number*] of the account, the name of the account holder and
3 the names of all individuals who have signature authority for the account. The Secretary of State
4 may not disclose information received by the secretary under this paragraph except as necessary for
5 purposes of enforcing the provisions of ORS chapters 246 to 260.

6 (2) A candidate or treasurer may designate an individual to receive any notice provided by a
7 filing officer under ORS chapters 246 to 260. The candidate or treasurer shall include the name and
8 address of the individual in the statement of organization filed under this section. A filing officer
9 who provides any notice under ORS chapters 246 to 260 to the candidate or treasurer shall also
10 provide the notice to the individual designated by the candidate or treasurer under this subsection.

11 (3) Except as provided in ORS 260.043, a candidate who serves as the candidate's own treasurer
12 shall file the statement of organization not later than the third business day after the candidate first
13 receives a contribution or makes an expenditure. The treasurer of a principal campaign committee
14 shall file the statement of organization not later than the date specified in ORS 260.035.

15 (4) Any change in information submitted in a statement of organization under subsection (1) of
16 this section shall be indicated in an amended statement of organization filed not later than the 10th
17 day after the change in information.

18 (5) Except as provided in ORS 260.043, a candidate who serves as the candidate's own treasurer
19 or the treasurer of the principal campaign committee of the candidate shall file a statement of or-
20 ganization under this section not later than the deadline for the candidate to file a nominating pe-
21 tition or declaration of candidacy under ORS 249.037 or a certificate of nomination under ORS
22 249.722.

23 (6) Except as provided in ORS 260.043, a candidate who serves as the candidate's own treasurer
24 or the treasurer of the principal campaign committee of a candidate shall file a new or amended
25 statement of organization not later than the date that the candidate files a nominating petition,
26 declaration of candidacy or certificate of nomination.

27 **SECTION 10.** ORS 260.042 is amended to read:

28 260.042. (1) The treasurer of a political committee shall file a statement of organization with the
29 filing officer. The statement shall include:

30 (a) The name, address and nature of the committee. The address shall be the address of a resi-
31 dence, office, headquarters or similar location where the political committee or a responsible officer
32 of the political committee may be conveniently located.

33 (b) The name, address and occupation of the committee director or directors.

34 (c) The name and address of the committee treasurer.

35 (d) The name and address of any other political committee of which two or more committee di-
36 rectors are also directors of the committee filing the statement.

37 (e) The name, office sought, and party affiliation of each candidate whom the committee is sup-
38 porting or specifically opposing or intends to support or specifically oppose, when known, or, if the
39 committee is supporting or specifically opposing all the candidates of a given party, the name of that
40 party.

41 (f) A designation of any measure that the committee is opposing or supporting, or intends to
42 support or oppose.

43 (g) The name of the financial institution in which the campaign account required under ORS
44 260.054 is established, the name [*and number*] of the account, the name of the account holder and
45 the names of all individuals who have signature authority for the account. The Secretary of State

1 may not disclose information received by the secretary under this paragraph except as necessary for
2 purposes of enforcing the provisions of ORS chapters 246 to 260.

3 (h) A statement of whether the committee is a controlled committee.

4 (2) A treasurer may designate an individual to receive any notice provided by a filing officer
5 under ORS chapters 246 to 260. The treasurer shall include the name and address of the individual
6 in a statement of organization filed under this section. A filing officer who provides any notice under
7 ORS chapters 246 to 260 to the treasurer of the political committee shall also provide the notice to
8 the individual designated by the treasurer under this subsection.

9 (3) The statement of organization shall be filed not later than the date specified in ORS 260.035.

10 (4) Any change in information submitted in a statement of organization under subsection (1) of
11 this section shall be indicated in an amended statement of organization filed not later than the 10th
12 day after the change in information.

13 (5) This section does not apply to a political committee that is a principal campaign committee
14 or to a political committee exclusively supporting or opposing one or more candidates for federal
15 or political party office.

16 **SECTION 11. Section 7 of this 2013 Act and the amendments to ORS 260.005, 260.039,**
17 **260.042, 260.044, 260.057, 260.083, 260.118 and 260.232 by sections 1 to 5 and 8 to 10 of this 2013**
18 **Act become operative on January 1, 2014.**

19 **SECTION 12. (1) Section 7 of this 2013 Act and the amendments to ORS 260.005, 260.039,**
20 **260.042, 260.044, 260.057, 260.083, 260.118 and 260.232 by sections 1 to 5 and 8 to 10 of this 2013**
21 **Act apply to contributions received, expenditures made and statements of independent**
22 **expenditures required to be filed on or after the operative date specified in section 11 this**
23 **2013 Act.**

24 (2) The Secretary of State may take any action before the operative date specified in
25 section 11 of this 2013 Act that is necessary to enable the secretary to exercise, on and after
26 the operative date specified in section 11 of this 2013 Act, all of the duties, functions and
27 powers conferred upon the secretary by section 7 of this 2013 Act and the amendments to
28 ORS 260.005, 260.039, 260.042, 260.044, 260.057, 260.083, 260.118 and 260.232 by sections 1 to 5
29 and 8 to 10 of this 2013 Act.

30 **SECTION 13. This 2013 Act being necessary for the immediate preservation of the public**
31 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
32 **on its passage.**

33

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3523 - A11

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Steve Bender
Date: 6/25/2013

Measure Description:

Requires statements of independent expenditures to be filed with Secretary of State using electronic filing system.

Government Unit(s) Affected:

Secretary of State

Analysis:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	9 - 0 - 0
Yeas:	Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Jenson, Kenemer, Garrett
Nays:	0
Exc.:	0
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	5/8, 5/29

WHAT THE MEASURE DOES: Requires statements of independent expenditures to be filed with Secretary of State using electronic filing system. Applies filing deadlines to additional statements of independent expenditures. Requires campaign finance statement to be filed within two business days after contribution is received that brings aggregate amount of contributions received from single donor during period to \$1,000 or more during 14-day period immediately preceding election. Adjusts other filing deadlines for campaign finance statements. Requires candidate, political committee or petition committee that makes expenditure that must be reported by candidate or committee as in-kind contribution to provide written notice of expenditure to candidate or committee for whose benefit expenditure was made. Requires candidate or committee to give notice not later than 48 hours after time that original expenditure is reported in electronic filing system. Deletes “unfulfilled pledge, subscription, agreement or promise to make contribution” from definition of contributions. Deletes requirement that candidate or political committee submit bank account number when reporting contributions and expenditures. Changes operative date to January 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Amount of money in independent expenditures
- Lack of transparency in reporting independent expenditures
- Clarity for reporting of in-kind donations
- Importance of campaign finance disclosure in campaigns
- Aggregate amount, donor based reporting
- Eliminating reporting of pledges
- Eliminating collection of bank account numbers
- Definition of independent expenditures

EFFECT OF COMMITTEE AMENDMENT: Requires campaign finance statement to be filed within two business days after a contribution is received that brings the aggregate amount of contributions received from a single donor during the period to \$1,000 or more during the 14-day period immediately preceding election. Deletes “unfulfilled pledge, subscription, agreement or promise to make contribution” from definition of contributions. Deletes requirement that candidate or political committee submit bank account number when reporting contributions and expenditures. Changes operative date to January 1, 2014.

BACKGROUND: Oregon statute requires disclosure of contributions and expenditures related to any candidate, measure, or political party active in any election including initiative, referendum, and recall petition drives. All political committees and chief petitioner committees are required to file all contributions and expenditures using the online campaign finance reporting system, ORESTAR. However, there is one class of expenditures, independent expenditures, that are required to be reported, but not required to be filed electronically.

Independent expenditures are expenditures for a communication in support of or in opposition to a clearly identified candidate or measure. The expenditure must not be made with the cooperation or with the prior consent of, or in

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This summary has not been adopted or officially endorsed by action of the committee.

consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate, or any political committee or agent of a political committee supporting or opposing a measure

House Bill 3523-A would require that a person file a statement of independent expenditures in ORESTAR if the person makes independent expenditures in a total amount of more than \$750 in a calendar year. The following information would be required to be filed for an independent expenditure: (a) amount and purpose of the independent expenditure; (b) name and address of the payee, including the city, or county if the payee is not located in a city, and state in which the payee is located; (c) any candidates or measures supported or opposed by the independent expenditure.

Current Oregon law requires all contributions and expenditures by a candidate or political committee be reported electronically within 30 days, except for the 42-day prior to an election, when transactions must be reported within seven days. Even with this increased frequency of reporting, campaigns apparently delay expenditures until seven days before the election and delay reporting until the last possible moment. The Secretary of State reports that during the 2010 General Election, the agency's electronic filing system was deluged with 18,000 transactions just before the 11:59 PM filing deadline. The result of the current expenditure reporting deadlines is that voters have no information on who is sponsoring advertising late in the campaign.

House Bill 3523-A requires campaign finance statement to be filed within two business days after a contribution is received that brings the aggregate amount of contributions received from a single donor during reporting period to \$1,000 or more during 14-day period immediately preceding an election.

An in-kind contribution is a good or service, other than money, having monetary value. The value of this contribution is based on the fair market value of the good or service. Expenditure by any person from personal funds on behalf of the candidate or committee is an in-kind contribution to the candidate or committee if the person does not expect to be reimbursed. The definition of a "person" is an individual, corporation, limited-liability company, labor organization, association, firm, partnership, joint stock company, club, organization or other combination of individuals having collective capacity.

In-kind contributions are required to be reported in ORESTAR, in accordance with the schedule for filing contributions and expenditures set forth in ORS 260.057. Thus, contributions and expenditures are due not later than 30 days of the date of the transaction, except during the six weeks prior to an election when transactions must be filed within seven days of the date of the transaction. When reporting or amending an in-kind contribution in ORESTAR, the transaction date reported by the candidate or committee is the date when the committee is notified that an in-kind expenditure was made on their behalf. Currently, there is no timeline, outside of the statutorily prescribed reporting deadlines, for when a person must notify a candidate or committee that an in-kind donation has been made on their behalf.

House Bill 3523-A would require that person or committee reporting an in-kind expenditure in ORESTAR, must notify the candidate or committee for whom the in-kind contribution benefitted within 48-hours. In addition, the measure would require that all in-kind contributions and expenditures be highlighted in an identifiable color. Currently, out-of-state contributions are reported in ORESTAR in color.

The definition of contribution includes "payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compensation"; "any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforceable, to make a contribution"; and "the excess value of a contribution made for compensation or consideration of less than equivalent value." However, there is no statutory definition, nor guidelines in the *Campaign Finance Manual*, describing what constitutes a pledge. Without guidance, there is no standard for campaign or political committees to determine what is or is not a pledge of cash or pledge of in-kind. House Bill 3523-A removes "unfulfilled pledge, subscription, agreement or promise to make contribution" from the definition of contribution. The effect of this change is that campaign and political committees would no longer be required to file transactions in ORESTAR for unfulfilled pledges.