

HB 3523

Relating to election campaign finance

Current law requires disclosure of contributions and expenditures related to any candidate, measure, or political party active in any election. All political committees and chief petitioner committees are required to file all contributions and expenditures using the online campaign finance reporting system, ORESTAR. However, one class of expenditures, independent expenditures, are required to be reported, but not required to be filed electronically. House Bill 3523 requires statements of independent expenditures totaling over \$750 in a calendar year to be filed electronically using ORESTAR. The bill also requires candidates, political committees, or petition committees reporting an in-kind expenditure in ORESTAR to notify the candidate or committee for whom the in-kind contribution benefitted. In addition, the bill removes the requirement to report unfulfilled pledges as political contributions, as well as the requirement that statements of organization include campaign's bank account number.

Your General Government Subcommittee recommends HB 3523 be amended and reported out "do pass" as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Steiner Hayward

Revenue:

Fiscal: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: June 26, 2013

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 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. 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:

- Fiscal impact
- Definitions of “in-kind” and “independent expenditures”
- Need for emergency clause

EFFECT OF COMMITTEE AMENDMENT: Removes the two business day reporting when the aggregate of all contributions received from a single donor are \$1,000 or more.

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 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 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.

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.

**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.

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