

House Bill 2197

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Secretary of State Kate Brown)

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 contributed to political candidates and political committees. Provides for civil penalties.

Requires campaign finance statement to be filed within two calendar days if contribution equaling or exceeding \$1,000 is received during 14-day period immediately preceding election. Adjusts other filing deadlines for campaign finance statements.

Requires identification of source of communications made in support of or opposition to candidate or measure.

Becomes operative January 1, 2014.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to campaign finance; creating new provisions; amending ORS 260.057 and 260.118; repealing chapter 3, Oregon Laws 2007; and declaring an emergency.

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

SECTION 1. Sections 2 to 5 and 8 of this 2013 Act are added to and made a part of ORS chapter 260.

SECTION 2. (1) The Legislative Assembly finds that:

(a) The financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates.

(b) Rapidly increasing political campaign costs have led many candidates to raise larger percentages of money from special interests with a specific financial stake in matters before state government. This has caused the public perception that decisions of elected officials are improperly influenced by monetary contributions.

(c) The United States Supreme Court decided in *Citizens United v. Federal Election Commission* that the government may not restrict independent expenditures without a constitutional amendment. This decision has resulted in an increased amount of undisclosed money in our federal elections and furthers the public perception that individuals' voices do not matter in the political process.

(d) A campaign finance system that limits overall contributions but still allows individuals to pool resources to make a meaningful impact on campaigns fosters a healthy and active democratic process.

(2) By limiting campaign contributions, the Legislative Assembly together with the people of Oregon intend to:

(a) Ensure that the public's interests are served by creating a fair and equal opportunity for individuals and interest groups to influence electoral and governmental processes; and

(b) Restore the public's trust in governmental institutions and in the electoral process.

SECTION 3. (1) With respect to a single 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 (a) An individual may not contribute an aggregate amount exceeding \$2,500 to:

2 (A) A candidate for nomination or election to any state, county or city office; or

3 (B) A political committee other than a principal campaign committee.

4 (b) A political committee may not contribute an aggregate amount exceeding \$5,000 to:

5 (A) A candidate for nomination or election to any state, county or city office; or

6 (B) A political committee other than a principal campaign committee.

7 (c) A candidate for a state, county or city office may not contribute an aggregate amount
8 exceeding \$2,500 to:

9 (A) Any other candidate for nomination or election to any state, county or city office;
10 or

11 (B) A political committee other than a principal campaign committee.

12 (d) A person, other than a candidate, political committee or individual, may not contrib-
13 ute an aggregate amount exceeding \$5,000 to:

14 (A) A candidate for nomination or election to any state, county or city office; or

15 (B) A political committee other than a principal campaign committee.

16 (2) A candidate or a political committee may not accept a contribution in excess of the
17 limits specified in this section.

18 (3) In February of each odd-numbered year, the Secretary of State shall adjust the limits
19 prescribed in this section based on changes in the Consumer Price Index, as defined in ORS
20 327.006. The secretary shall round the amount of the limit to the nearest \$100 and publish
21 the revised amount not later than March 1 of the same year. The revised amount takes ef-
22 fect on March 1 and applies for the following two years.

23 (4) Not later than seven days after receiving any contribution in excess of the applicable
24 limit in this section, a candidate or political committee shall return the excess contribution
25 to the person who made the contribution.

26 (5) 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 (6) As used in this section, "state office" means the office of Governor, Secretary of
29 State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Indus-
30 tries, state Senator and state Representative.

31 (7) This section does not apply to:

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

34 (b) A political committee organized and operated exclusively to support or oppose a
35 measure or petition.

36 **SECTION 4.** For purposes of the contribution limits established by section 3 of this 2013
37 Act:

38 (1) All political committees established by the same corporation or its subsidiaries are
39 treated as a single political committee.

40 (2) All political committees established by the same organization or entity are treated
41 as a single political committee.

42 (3) All controlled committees controlled by the same candidate or controlled committee
43 are treated as a single political committee.

44 (4) Except as provided in subsection (5) of this section, all political committees estab-
45 lished by the same political party are treated as a single political committee.

1 (5)(a) All political committees established by the same state central committee are
 2 treated as a single political committee.

3 (b) All political committees established by the same county central committee are treated
 4 as a single political committee.

5 **SECTION 5.** (1) Except as otherwise provided by this section, the Secretary of State or
 6 Attorney General shall impose a civil penalty in the manner provided by ORS 260.995 for a
 7 violation of section 3 of this 2013 Act.

8 (2) For each violation of section 3 of this 2013 Act occurring in the same calendar year,
 9 the Secretary of State or Attorney General may impose a civil penalty of:

10 (a) The total amount of the contribution for the first violation.

11 (b) Twice the total amount of the contribution for a second violation.

12 (c) Three times the total amount of the contribution for a third or successive violation.

13 **SECTION 6.** ORS 260.057 is amended to read:

14 260.057. (1) The Secretary of State by rule shall adopt an electronic filing system to be used by:

15 (a) All candidates and political committees to file with the secretary statements of contributions
 16 received and expenditures made by the candidates and political committees, as described in ORS
 17 260.083.

18 (b) Treasurers of a petition committee organized under ORS 260.118 to file with the secretary
 19 statements of contributions received and expenditures made by the treasurers and chief petitioners
 20 as described in ORS 260.083.

21 (2) Except as otherwise provided in this section, a candidate or political committee shall
 22 file a statement described in subsection (1) of this section not later than 30 calendar days
 23 after a contribution is received or an expenditure is made.

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

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

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

33 (b) If the candidate or political committee receives a contribution or makes an expendi-
 34 ture prior to the 42nd calendar day before the date of the primary or general election and
 35 the candidate or political committee has not filed a statement of the contribution or ex-
 36 penditure under subsection (2) of this section by the 43rd calendar day before the date of the
 37 primary or general election, the candidate or political committee shall file a statement de-
 38 scribed in subsection (1) of this section not later than the 28th calendar day before the date
 39 of the primary or general election.

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

44 [(3) Except as provided in subsection (4) of this section, during a period not described in subsection
 45 (2) of this section, a candidate or political committee shall file a statement described in subsection (1)

1 of this section not later than 30 calendar days after a contribution is received or an expenditure is
2 made.]

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

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

17 **(4)(a) A candidate for nomination or election at any primary or general election or a**
18 **political committee supporting or opposing a candidate or measure at any primary or general**
19 **election shall file a statement of contributions received not later than two calendar days af-**
20 **ter a contribution is received if the contribution equals or exceeds \$1,000. This paragraph**
21 **applies to contributions received:**

22 **(A) During the period beginning on the 14th calendar day before the date of any primary**
23 **election and ending on the date of the primary election; and**

24 **(B) During the period beginning on the 14th calendar day before the date of any general**
25 **election and ending on the date of the general election.**

26 **(b) If the candidate or political committee receives a contribution that equals or exceeds**
27 **\$1,000 prior to the 14th calendar day before the date of the primary or general election and**
28 **the candidate or political committee has not filed a statement of the contribution under**
29 **subsection (3) of this section by the 15th calendar day before the date of the primary or**
30 **general election, the candidate or political committee shall file a statement of the contribu-**
31 **tion received not later than the 12th calendar day before the date of the primary or general**
32 **election.**

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

37 **(a) Fourteen calendar days after a contribution is received or an expenditure is made;**
38 **and**

39 **(b) Two calendar days after a contribution is received, if the contribution equals or ex-**
40 **ceeds \$1,000.**

41 [(5)] **(6) The electronic filing system shall be provided free of charge by the secretary and:**

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

43 **(b) Be compatible with any other electronic filing application provided or approved by the sec-**
44 **retary.**

45 [(6)(a)] **(7)(a) Except as provided in paragraph (b) of this subsection, the secretary shall make**

1 all data filed electronically under this section and ORS 260.118 and all information filed with the
2 secretary under ORS 260.045, 260.049, 260.085 or 260.102 available on the Internet to the public free
3 of charge according to a schedule adopted by the secretary by rule. The secretary shall make the
4 data available in a searchable database that is easily accessible by the public. When the secretary
5 makes data or information available on the Internet under this subsection, the secretary shall dis-
6 play any contribution received from a person or political committee with an out-of-state address in
7 a different colored font than a contribution received from a person or political committee with an
8 in-state address.

9 (b) The secretary may not make data that are filed electronically under this section or ORS
10 260.118 available to the public under this section, unless the data are required to be listed under
11 ORS 260.083. The secretary may not disclose under ORS 192.410 to 192.505 any data that are filed
12 electronically under this section or ORS 260.118, unless the data are required to be listed under ORS
13 260.083.

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

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

20 [(8)] (9) This section does not apply to:

21 (a) Candidates for federal office;

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

23 (c) Candidates, political committees or petition committees that file certificates under ORS
24 260.112.

25 **SECTION 7.** ORS 260.118 is amended to read:

26 260.118. (1) The chief petitioners of an initiative, referendum or recall petition shall appoint a
27 treasurer. The treasurer shall be an elector of this state. Contributions shall be received and
28 expenditures made by or through the treasurer.

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

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

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

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

37 (d) The name of the financial institution in which the petition account required under ORS
38 260.054 is established, the name and number of the account, the name of the account holder and the
39 names of all individuals who have signature authority for the account. The Secretary of State may
40 not disclose information received by the secretary under this paragraph except as necessary for
41 purposes of enforcing the provisions of ORS chapters 246 to 260.

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

45 (4) The treasurer of an initiative, referendum or recall petition committee shall use the elec-

1 tronic filing system adopted under ORS 260.057 to file with the Secretary of State statements of
 2 contributions received and expenditures made by the petition committee, as described in ORS
 3 260.083.

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

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

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

12 (6) The treasurer of a referendum petition committee or a recall petition committee shall file a
 13 statement described in subsection (4) of this section not later than *[seven]* **14** calendar days after a
 14 contribution is received or an expenditure is made. This subsection applies:

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

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

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

26 (8) If a treasurer of an initiative petition committee receives a contribution or makes an ex-
 27 penditure prior to the 42nd calendar day before the date that is four months before a general
 28 election, or the 42nd day before the date of the primary election or general election, and the treas-
 29 urer has not filed a statement of the contribution or expenditure under subsection (4) of this section
 30 by the 43rd calendar day before the date that is four months before a general election, or the 43rd
 31 day before the date of the primary election or general election, the treasurer shall file a statement
 32 described in subsection (4) of this section not later than the *[35th]* **28th** calendar day before the date
 33 that is four months before a general election, or the *[35th]* **28th** day before the date of the primary
 34 election or general election.

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

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

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

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

43 **SECTION 8. (1)(a) A communication in support of or in opposition to a clearly identified**
 44 **candidate or measure that is paid for by a candidate or a candidate’s principal campaign**
 45 **committee must state the name of the candidate and include a statement of the candidate’s**

1 support for the communication.

2 (b) A communication in support of or in opposition to a clearly identified candidate or
 3 measure that is paid for by a political committee other than a principal campaign committee
 4 must state the name of the political committee and the name of the officer of record of the
 5 political committee, including a statement of the officer’s support for the communication.

6 (2) If a person makes an independent expenditure to pay for a communication in support
 7 of or in opposition to a clearly identified candidate or measure, the communication must
 8 state the name of the person, including a statement of the person’s support for the com-
 9 munication. If the person making the independent expenditure is not an individual, the
 10 communication must state the name of the individual who is the officer of record for the
 11 person, including a statement of the officer’s support for the communication.

12 (3) This section does not apply to items of de minimis value relating to a candidate or
 13 measure, including lawn signs, pins, pens and other similar items.

14 (4) The Secretary of State, by rule, shall prescribe the form of statements required on
 15 communications described in this section.

16 (5) As used in this section:

17 (a) “Clearly identified” has the meaning given that term in ORS 260.005 (10)(b).

18 (b) “Communication in support of or in opposition to a clearly identified candidate or
 19 measure” has the meaning given that term in ORS 260.005 (10)(c).

20 (c) “Officer of record” means the individual who is the highest ranking individual in this
 21 state within a committee, corporation, company, organization, association, club, firm, part-
 22 nership or other entity.

23 **SECTION 9.** (1) Sections 2 to 5 of this 2013 Act and the amendments to ORS 260.057 and
 24 260.118 by sections 6 and 7 of this 2013 Act apply to contributions and expenditures made on
 25 or after the operative date specified in section 10 of this 2013 Act.

26 (2) Section 8 of this 2013 Act applies to any communication that is printed, posted,
 27 broadcast, mailed, circulated, electronically distributed or otherwise published on or after
 28 the operative date specified in section 10 of this 2013 Act.

29 **SECTION 10.** Sections 2 to 5 and 8 of this 2013 Act and the amendments to ORS 260.057
 30 and 260.118 by sections 6 and 7 of this 2013 Act become operative on January 1, 2014.

31 **SECTION 11.** The Secretary of State may take any action before the operative date
 32 specified in section 10 of this 2013 Act that is necessary to enable the secretary to exercise,
 33 on and after the operative date specified in section 10 of this 2013 Act, all the duties, func-
 34 tions and powers conferred upon the secretary by sections 2 to 5 and 8 of this 2013 Act and
 35 the amendments to ORS 260.057 and 260.118 by sections 6 and 7 of this 2013 Act.

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

37 **SECTION 13.** If any part of this 2013 Act is held unconstitutional, the remaining parts
 38 shall remain in force unless the court specifically finds that the remaining parts, standing
 39 alone, are incomplete and incapable of being executed.

40 **SECTION 14.** This 2013 Act being necessary for the immediate preservation of the public
 41 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
 42 on its passage.