House Bill 3523

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 **as introduced**.

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 equaling or exceeding \$1,000 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.

Becomes operative September 19, 2013.

Declares emergency, effective on passage.

A BILL FOR AN ACT

2 Relating to election campaign finance; creating new provisions; amending ORS 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-

pendent expenditures in a total amount of more than \$750 in a calendar year. The statement shall be
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.]

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

(2) A person who files a statement of independent expenditures under subsection (1) of
 this section shall use the electronic filing system adopted under ORS 260.057 to file with the
 secretary additional statements of independent expenditures made by the person, as de scribed in ORS 260.083.

(3) Except as otherwise provided in this section, a person shall file a statement described
 in subsection (2) of this section not later than 30 calendar days after an independent ex-

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1 penditure is made.

2 (4)(a) A person shall file a statement described in subsection (2) of this section not later

than 14 calendar days after an independent expenditure is made. This paragraph applies to
 independent expenditures made:

5 (A) During the period beginning on the 42nd calendar day before the date of any primary 6 election and ending on the date of the primary election; and

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

9 (b) If the person makes an independent expenditure prior to the 42nd calendar day before 10 the date of the primary or general election and the person has not filed a statement under 11 subsection (3) of this section by the 43rd calendar day before the date of the primary or 12 general election, the person shall file a statement described in subsection (2) of this section 13 not later than the 28th calendar day before the date of the primary or general election.

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

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

20 [(4)] (7) For purposes of this section:

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

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

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

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

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

31 (C) Required to be reported as contributions by a candidate or political committee on a state-32 ment filed under ORS 260.057, 260.076 or 260.102 or a certificate filed under ORS 260.112.

33 SECTION 2. ORS 260.057 is amended to read:

260.057. (1) The Secretary of State by rule shall adopt an electronic filing system to be used by:
(a) All candidates and political committees to file with the secretary statements of contributions
received and expenditures made by the candidates and political committees, as described in ORS
260.083.

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

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

44 (2) Except as otherwise provided in this section, a candidate or political committee shall
 45 file a statement of contributions received and expenditures made described in subsection

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

3 [(2)(a)] (3)(a) Except as provided in subsection (4) of this section, a candidate for nomination 4 or election at any primary or general election or a political committee supporting or opposing a 5 candidate or measure at any primary or general election shall file a statement described in sub-6 section (1)(a) of this section not later than [seven] 14 calendar days after a contribution is received 7 or an expenditure is made. This paragraph applies to contributions received and expenditures 8 made:

9 (A) 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

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

13 [(b) For any special election, the secretary by rule may establish a period during which a candidate 14 for nomination or election at the special election or a political committee supporting or opposing a 15 candidate or measure at the special election must file a statement described in subsection (1) of this 16 section not later than seven calendar days after a contribution is received or an expenditure is made.]

17 [(3) Except as provided in subsection (4) of this section, during a period not described in subsection 18 (2) of this section, a candidate or political committee shall file a statement described in subsection (1) 19 of this section not later than 30 calendar days after a contribution is received or an expenditure is 20 made.]

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

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

(b) If the candidate or political committee receives a contribution or makes an expenditure prior to the 42nd calendar day before the date of the primary or general election and the candidate or political committee has not filed a statement of the contribution or expenditure under subsection (2) of this section by the 43rd calendar day before the date of the primary or general election, the candidate or political committee shall file a statement described in subsection (1)(a) of this section not later than the 28th calendar day before the date of the primary or general election.

(4)(a) A candidate for nomination or election at any primary or general election or a
political committee supporting or opposing a candidate or measure at any primary or general
election shall file a statement of contributions received not later than two calendar days after a contribution is received if the contribution equals or exceeds \$1,000. This paragraph

1 applies to contributions received:

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2 (A) During the period beginning on the 14th calendar day before the date of any primary 3 election and ending on the date of the primary election; and

4 (B) During the period beginning on the 14th calendar day before the date of any general 5 election and ending on the date of the general election.

6 (b) If the candidate or political committee receives a contribution that equals or exceeds 7 \$1,000 prior to the 14th calendar day before the date of the primary or general election and 8 the candidate or political committee has not filed a statement of the contribution under 9 subsection (3) of this section by the 15th calendar day before the date of the primary or 10 general election, the candidate or political committee shall file a statement of the contribu-11 tion received not later than the 12th calendar day before the date of the primary or general 12 election.

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

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

(b) Two business days after a contribution is received, if the contribution equals or ex ceeds \$1,000.

21 [(5)] (6) The electronic filing system shall be provided free of charge by the secretary and 22 shall:

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

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

[(6)(a)] (7)(a) Except as provided in paragraph (b) of this subsection, the secretary shall make 2627all data filed electronically under subsection (1)(a) of this section [and ORS 260.118] and all information filed with the secretary under ORS 260.045, 260.049, 260.085 or 260.102 available on the 28Internet to the public free of charge according to a schedule adopted by the secretary by rule. The 2930 secretary shall make the data available in a searchable database that is easily accessible by the 31 public. When the secretary makes data or information available on the Internet under this sub-32section, the secretary shall display any contribution received from a person or political committee with an out-of-state address in a different colored font than a contribution received from a person 33 34 or political committee with an in-state address.

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

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

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

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[(8)] (9) This section does not apply to: 1 2 (a) Candidates for federal office; (b) Candidates who are not required to file a statement of organization under ORS 260.043; or 3 (c) Candidates, political committees or petition committees that file certificates under ORS 4 260.112. 5 SECTION 3. ORS 260.083 is amended to read: 6 260.083. (1)(a) For a contribution, except as provided in ORS 260.085, a statement filed under 7 ORS 260.044, 260.057, 260.076 or 260.118 shall list: 8 9 [(a) Except as provided in ORS 260.085, for a contribution:] (A) The name, occupation and address of each person, and the name and address of each poli-10 tical committee or petition committee, that contributed an aggregate amount of more than \$100 in 11 12 a calendar year on behalf of a candidate or to a political committee or petition committee and the 13 total amount contributed by that person or committee; and (B) The total amount of other contributions as a single item, but shall specify how those con-14 15 tributions were obtained. 16 (b) For an expenditure, including an independent expenditure, a statement filed under ORS 260.044, 260.057, 260.076 or 260.118 shall list: 17 18 (A) The amount and purpose of each expenditure made in an aggregate amount of more than \$100 to a payee, the name or, if applicable, the business name of the payee of the expenditure, and 19 the city, or county if the payee is not located in a city, and state in which the payee is located; and 20(B) The total amount of other expenditures as a single item. 2122(c) For each loan, whether repaid or not, made by or to [the] a candidate, political committee or petition committee[. The], a statement filed under ORS 260.044, 260.057, 260.076 or 260.118 shall 23list: 24

25(A) The name and address of each person shown as a cosigner or guarantor on a loan and the amount of the obligation undertaken by each cosigner or guarantor; 26

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

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

(2)(a) A contribution shall be reported as an account receivable only if the contribution is not 2930 received within the time specified in ORS 260.057, 260.076 or 260.118.

31 (b) An expenditure shall be reported as an account payable only if the expenditure is not paid within the time specified in ORS 260.057, 260.076 or 260.118. 32

(3) Anything of value paid for or contributed by any person shall be listed as both an in-kind 33 34 contribution and an expenditure by the candidate or committee for whose benefit the payment or 35 contribution was made.

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(4) If a candidate, political committee or petition committee under ORS 260.057 or 260.118 makes 37 an expenditure that must be reported as an in-kind contribution and an expenditure as provided in 38 subsection (3) of this section, the candidate, political committee or petition committee making the original expenditure shall, in any statement filed under ORS 260.057 or 260.118, identify the ex-39 penditure as an in-kind contribution and identify the candidate, political committee or petition 40 committee for whose benefit the expenditure was made. 41

42(5) If a political committee makes an expenditure that qualifies as an independent expenditure under ORS 260.005 (10), the listing of the expenditure under this section shall identify any candi-43 dates or measures that are the subject of the independent expenditure and state whether the inde-44 pendent expenditure was used to advocate the election, passage or defeat of the candidates or 45

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1 measures.

2 (6) As used in this section:

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

4 (b) "Contribution" and "expenditure" include a contribution or expenditure to or on behalf of 5 an initiative, referendum or recall petition.

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

7 260.118. (1) The chief petitioners of an initiative, referendum or recall petition shall appoint a 8 treasurer. The treasurer shall be an elector of this state. Contributions shall be received and 9 expenditures made by or through the treasurer.

10 (2) The treasurer shall file a statement of organization of a petition committee with the appro-11 priate filing officer. The treasurer shall file the statement not later than the third business day after 12 a chief petitioner or the treasurer receives a contribution or makes an expenditure relating to the 13 initiative, referendum or recall petition. The statement shall include:

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

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

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

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

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

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

30 (5) The treasurer of an initiative petition committee shall file a statement described in sub-31 section (4) of this section not later than [*seven*] **14** calendar days after a contribution is received or 32 an expenditure is made. This subsection applies to contributions received and expenditures made:

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

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

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

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

(b) For a recall petition committee, to contributions received and expenditures made during the
 period beginning on the day after the date on which the statement of contributions received and

1 expenditures made that is required under ORS 249.865 is filed and ending on the deadline for sub-2 mitting signatures for verification.

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

(8) If a treasurer of an initiative petition committee receives a contribution or makes an ex-7 penditure prior to the 42nd calendar day before the date that is four months before a general 8 9 election, or the 42nd day before the date of the primary election or general election, and the treasurer has not filed a statement of the contribution or expenditure under subsection (4) of this section 10 by the 43rd calendar day before the date that is four months before a general election, or the 43rd 11 12 day before the date of the primary election or general election, the treasurer shall file a statement 13 described in subsection (4) of this section not later than the [35th] 28th calendar day before the date that is four months before a general election, or the [35th] 28th day before the date of the primary 14 15 election or general election.

16 (9) For an initiative petition committee, the accounting period for the first statement filed under 17 this section begins on the date the treasurer is appointed under subsection (1) of this section.

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

20 (11) Subsections (4) to (10) of this section do not apply to petition committees that file certif-21 icates under ORS 260.112.

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

24 SECTION 5. ORS 260.232 is amended to read:

25 260.232. (1) The Secretary of State may impose a civil penalty as provided in this section, in 26 addition to any other penalty that may be imposed, for:

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

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

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

(b) If the person required to file is a candidate or the principal campaign committee of a candidate, the Secretary of State shall send the notice described in paragraph (a) of this subsection by first class mail to the candidate and to the candidate's treasurer or the treasurer of the candidate's principal campaign committee. The notice sent to the candidate shall be used for purposes of determining the deadline for requesting a hearing under subsection (3) of this section. The Secretary of State is not required to send two notices if the candidate serves as the treasurer of the candidate's principal campaign committee.

44 (3) A hearing on whether to impose a civil penalty and to consider circumstances in mitigation45 shall be held by the Secretary of State:

1 (a) Upon request of the person against whom the penalty may be assessed, if the request is made 2 not later than the 20th day after the person received the notice sent under subsection (2) of this 3 section;

4 (b) Upon request of the filing officer with whom a statement or certificate was required to be 5 filed but was not filed; or

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

7 (4) A hearing under subsection (3) of this section shall be held not later than 45 days after the 8 deadline for the person against whom the penalty may be assessed to request a hearing. However, 9 if requested by the person against whom the penalty may be assessed, a hearing under subsection 10 (3) of this section shall be held not later than 60 days after the deadline for the person against whom 11 the penalty may be assessed to request a hearing.

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

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

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

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

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

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

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

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

<u>SECTION 7.</u> (1) If a candidate, political committee or petition committee under ORS 260.057 or 260.118 makes an expenditure that must be reported as both an in-kind contribution and an expenditure by the candidate, political committee or petition committee for whose benefit the expenditure was made as provided in ORS 260.083 (3), the candidate, political committee or petition committee making the original expenditure shall:

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

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

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

1SECTION 8.Section 7 of this 2013 Act and the amendments to ORS 260.044, 260.057,2260.083, 260.118 and 260.232 by sections 1 to 5 of this 2013 Act become operative on September319, 2013.4SECTION 9. (1) Section 7 of this 2013 Act and the amendments to ORS 260.044, 260.057,

5 260.083, 260.118 and 260.232 by sections 1 to 5 of this 2013 Act apply to contributions received, 6 expenditures made and statements of independent expenditures required to be filed on or 7 after the effective date of this 2013 Act.

8 (2) The Secretary of State may take any action before the operative date specified in 9 section 8 of this 2013 Act that is necessary to enable the secretary to exercise, on and after 10 the operative date specified in section 8 of this 2013 Act, all of the duties, functions and 11 powers conferred upon the secretary by section 7 of this 2013 Act and the amendments to 12 ORS 260.044, 260.057, 260.083, 260.118 and 260.232 by sections 1 to 5 of this 2013 Act.

<u>SECTION 10.</u> This 2013 Act being necessary for the immediate preservation of the public
 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
 on its passage.

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