

A-Engrossed Senate Bill 145

Ordered by the Senate May 20
Including Senate Amendments dated May 20

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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.

[Expands definition of "petition committee" to include combination of two or more individuals, or person other than individual, who receives contribution or makes expenditure for purpose of supporting or opposing initiative, referendum or recall petition.]

Removes liability of candidate's treasurer for default or violation that occurs in performance of certain duties. Requires Secretary of State to send notice of civil penalty for failure to file campaign finance statements only to candidate. Removes requirement for periodic examination and investigation of randomly selected campaign finance statements.

Removes requirement to file statement of expenditure deficit.

Requires political committee or petition committee that expects neither aggregate contributions nor aggregate expenditures to exceed \$3,500 to file certificate with Secretary of State.

Removes requirement that candidate file statement or affidavit for contributions from out-of-state political committees upon request.

Removes requirement that certain corporations file reports regarding shareholders.

A BILL FOR AN ACT

1
2 Relating to campaign finance; creating new provisions; amending ORS 260.005, 260.037, 260.044,
3 260.055, 260.057, 260.076, 260.112, 260.205, 260.215, 260.225, 260.232, 260.255, 260.315 and 260.407;
4 and repealing ORS 260.045, 260.049 and 260.102.

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

6 **SECTION 1.** ORS 260.005 is amended to read:

7 260.005. As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (7) “Elector” means an individual qualified to vote under section 2, Article II of the Oregon
32 Constitution.

33 (8) Except as provided in ORS 260.007, “expend” or “expenditure” includes the payment or fur-
34 nishing of money or anything of value or the incurring or repayment of indebtedness or obligation
35 by or on behalf of a candidate, political committee or person in consideration for any services,
36 supplies, equipment or other thing of value performed or furnished for any reason, including support
37 of or opposition to a candidate, political committee or measure, or for reducing the debt of a can-
38 didate for nomination or election to public office. “Expenditure” also includes contributions made
39 by a candidate or political committee to or on behalf of any other candidate or political committee.

40 (9) “Filing officer” means:

41 (a) The Secretary of State:

42 (A) Regarding a candidate for public office;

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

44 (C) Regarding any measure; or

45 (D) Regarding any political committee.

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

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

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

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

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

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

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

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

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

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

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

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

25 (B) “Clearly identified” means, with respect to measures:

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

27 (ii) A description of the measure’s subject or effect appears; or

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

29 (c) “Communication in support of or in opposition to a clearly identified candidate or measure”
30 means:

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

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

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

36 (d) “Made with the cooperation or with the prior consent of, or in consultation with, or at the
37 request or suggestion of, a candidate or any agent or authorized committee of the candidate, or any
38 political committee or agent of a political committee supporting or opposing a measure”:

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

43 (i) Based on information about the plans, projects or needs of the candidate, or of the political
44 committee supporting or opposing a measure, and provided to the expending person by the candidate
45 or by the candidate’s agent, or by any political committee or agent of a political committee sup-

1 porting or opposing a measure, with a view toward having an expenditure made; or

2 (ii) Made by or through any person who is or has been authorized to raise or expend funds, who
3 is or has been an officer of a political committee authorized by the candidate or by a political
4 committee or agent of a political committee supporting or opposing a measure, or who is or has been
5 receiving any form of compensation or reimbursement from the candidate, the candidate's principal
6 campaign committee or agent or from any political committee or agent of a political committee
7 supporting or opposing a measure.

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

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

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

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

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

19 (a) A proposed law.

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

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

22 (d) Local, special or municipal legislation.

23 (e) A proposition or question.

24 (15) "Occupation" means:

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

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

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

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

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

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

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

39 (A) A contribution to a candidate or political committee that is required to report the contri-
40 bution on a statement filed under ORS 260.057[,] or 260.076 [or 260.102] or a certificate filed under
41 ORS 260.112; or

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

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

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

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

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

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

9 **SECTION 2.** ORS 260.037 is amended to read:

10 260.037. [(1) A candidate may serve as the candidate's own treasurer or may appoint and certify
11 to the filing officer the name and address of a treasurer.]

12 [(2) A candidate's treasurer shall perform all the duties prescribed for the candidate under ORS
13 260.005 and 260.035 to 260.156.]

14 [(3)] The candidate[, in addition to the treasurer,] is personally responsible for the performance
15 of the duties referred to in [subsection (2) of this section] **ORS 260.035 (2)**. Any default or violation
16 by the treasurer shall be conclusively considered a default or violation by the candidate. Any default
17 or violation by the [person] **individual** designated by the candidate or treasurer under ORS 260.039,
18 260.042 or 260.057 is conclusively considered a default or violation by the candidate [or treasurer].

19 **SECTION 3.** ORS 260.044 is amended to read:

20 260.044. (1) A person shall file a statement of independent expenditures if the person makes in-
21 dependent expenditures in a total amount of more than \$750 in a calendar year. The statement shall
22 be filed with the Secretary of State.

23 (2) A statement described in subsection (1) of this section shall be filed not later than seven
24 calendar days after the total amount of independent expenditures exceeds \$750 in a calendar year.
25 The accounting period for the statement required by subsection (1) of this section begins on the date
26 that an independent expenditure is made. The statement shall specify the candidate or measure
27 supported or opposed by the independent expenditure. The secretary by rule shall prescribe the form
28 of the statement.

29 (3) Notwithstanding ORS 260.005 (18), a person who solicits and receives a contribution or con-
30 tributions is a political committee and shall file a statement of organization under ORS 260.042 and
31 the statements required by ORS 260.057 or 260.076.

32 (4) For purposes of this section:

33 (a) An independent expenditure does not include a contribution to a candidate or political
34 committee that is required to report the contribution on a statement filed under ORS 260.057[,] **or**
35 260.076 [or 260.102] or a certificate filed under ORS 260.112;

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

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

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

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

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

45 **SECTION 4.** ORS 260.055 is amended to read:

1 260.055. (1) Each candidate, other than a candidate for political party office, the treasurer of
 2 each political committee and the treasurer of each petition committee shall keep detailed accounts.
 3 The accounts shall be current as of not later than the seventh calendar day after the date of re-
 4 ceiving a contribution or making an expenditure with respect to all contributions received and all
 5 expenditures made by or on behalf of the candidate or committee that are required to be reported
 6 under ORS 260.057, 260.076 or 260.078. Subject to ORS 260.085, the accounts shall list all information
 7 required to be reported under ORS 260.083.

8 (2) Accounts kept by a candidate or the treasurer of a political committee may be inspected
 9 under reasonable circumstances at any time before the election to which the accounts refer or
 10 during the period specified for retention of the accounts under subsection (3) of this section by any
 11 opposing candidate or the treasurer of any political committee for the same electoral contest. The
 12 right of inspection may be enforced by writ of mandamus issued by any court of competent juris-
 13 diction. The treasurers of political committees supporting a candidate may be joined with the can-
 14 didate as defendants in a mandamus proceeding.

15 (3) Accounts kept by a candidate or treasurer shall be preserved by the candidate or treasurer
 16 for at least two years after the date the statement of the contribution or expenditure is filed under
 17 ORS 260.057.

18 [(4)(a) *If a candidate, political committee or petition committee intends to discontinue the statement*
 19 *of organization of the candidate or committee and close accounts, the candidate or committee shall file*
 20 *with the Secretary of State a notice of intent. Upon receipt of the notice, the secretary shall examine*
 21 *each statement filed by the candidate or committee under ORS 260.044, 260.057, 260.083, 260.102,*
 22 *260.112 or 260.118 to determine whether the statement is sufficient.*]

23 [(b) *Not later than 90 days after receipt of the notice of intent, the secretary shall notify the can-*
 24 *didate, political committee or petition committee that the statements are sufficient or that a statement*
 25 *is insufficient or otherwise may violate a law or rule. The notice shall include a description of the*
 26 *provisions of ORS 260.407.*]

27 [(c) *If, after a candidate, political committee or petition committee files a notice of intent to dis-*
 28 *continue the statement of organization of the candidate or committee and close accounts, the candidate*
 29 *or committee files an additional statement under ORS 260.044, 260.057, 260.083, 260.102, 260.112 or*
 30 *260.118, the secretary has 90 days following the date the additional statement is filed to examine the*
 31 *statement and send a notification described in paragraph (b) of this subsection.*]

32 [(d) *When a candidate, political committee or petition committee files the last statement under ORS*
 33 *260.057, the secretary shall conduct a final review. If the secretary determines that all statements filed*
 34 *are sufficient, the secretary shall notify the candidate, political committee or petition committee. Upon*
 35 *receipt of the notice, the candidate or committee may discontinue the statement of organization of the*
 36 *candidate, political committee or petition committee and close accounts.*]

37 **SECTION 5.** ORS 260.057 is amended to read:

38 260.057. (1) The Secretary of State by rule shall adopt an electronic filing system to be used by:

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

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

45 (2)(a) A candidate for nomination or election at any primary or general election or a political

1 committee supporting or opposing a candidate or measure at any primary or general election shall
2 file a statement described in subsection (1) of this section not later than seven calendar days after
3 a contribution is received or an expenditure is made. This paragraph applies to contributions re-
4 ceived and expenditures made during the period beginning on the 42nd calendar day before the date
5 of any primary election and ending on the date of the primary election and the period beginning on
6 the 42nd calendar day before the date of any general election and ending on the date of the general
7 election.

8 (b) For any special election, the secretary by rule may establish a period during which a candi-
9 date for nomination or election at the special election or a political committee supporting or op-
10 posing a candidate or measure at the special election must file a statement described in subsection
11 (1) of this section not later than seven calendar days after a contribution is received or an expend-
12 iture is made.

13 (3) Except as provided in subsection (4) of this section, during a period not described in sub-
14 section (2) of this section, a candidate or political committee shall file a statement described in
15 subsection (1) of this section not later than 30 calendar days after a contribution is received or an
16 expenditure is made.

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

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

31 (5) The electronic filing system shall be provided free of charge by the secretary and:

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

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

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

44 (b) The secretary may not make data that are filed electronically under this section or ORS
45 260.118 available to the public under this section, unless the data are required to be listed under

1 ORS 260.083. The secretary may not disclose under ORS 192.410 to 192.505 any data that are filed
2 electronically under this section or ORS 260.118, unless the data are required to be listed under ORS
3 260.083.

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

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

10 (8) This section does not apply to:

11 (a) Candidates for federal office;

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

13 (c) Candidates, political committees or petition committees that file certificates under ORS
14 260.112.

15 **SECTION 6.** ORS 260.076 is amended to read:

16 260.076. (1) A legislative official, statewide official or candidate therefor, or the official's or
17 candidate's principal campaign committee, shall file statements showing contributions received by
18 or on behalf of the official, candidate or committee during the period beginning January 1 and end-
19 ing upon adjournment of the regular session of the Legislative Assembly, or during any special
20 session of the Legislative Assembly.

21 (2) The Governor, Governor-elect or a candidate for Governor, or the principal campaign com-
22 mittee of the Governor, Governor-elect or candidate, shall file statements showing contributions re-
23 ceived by or on behalf of the Governor, Governor-elect, candidate or committee during the period
24 beginning January 1 and ending 30 business days following adjournment of the regular session of the
25 Legislative Assembly, or during any special session of the Legislative Assembly.

26 (3) A person or political committee affiliated with a political party, caucus of either house of the
27 Legislative Assembly, legislative official, statewide official or the Governor, Governor-elect or can-
28 didate for Governor shall file statements showing contributions received by the person or committee
29 on behalf of a legislative official, statewide official or candidate therefor, during the period begin-
30 ning January 1 and ending upon adjournment of the regular session of the Legislative Assembly, or
31 during any special session of the Legislative Assembly.

32 (4) A person or political committee affiliated with a political party, caucus of either house of the
33 Legislative Assembly, legislative official, statewide official or the Governor, Governor-elect or can-
34 didate for Governor shall file statements showing contributions received by the person or committee
35 on behalf of the Governor, Governor-elect or candidate for Governor, during the period beginning
36 January 1 and ending 30 business days following adjournment of the regular session of the Legisla-
37 tive Assembly, or during any special session of the Legislative Assembly.

38 (5) A statement described in subsections (1) to (4) of this section shall be filed with the Secretary
39 of State on a form prescribed by the secretary. For contributions received during the period begin-
40 ning on January 1 and ending on the first day of the regular session, a statement shall be filed not
41 later than two business days after the first day of the regular session. For contributions received
42 on or after the first day of the regular session, a statement shall be filed not later than two business
43 days after the date a contribution is received. For contributions received during any special session
44 of the Legislative Assembly, a statement shall be filed not later than two business days after the
45 date a contribution is received.

1 [(6) *If a statement has been filed under subsections (1) to (4) of this section, the next statement filed*
2 *by the Governor, Governor-elect, official, candidate, principal campaign committee or other political*
3 *committee under ORS 260.057 shall include the contributions reported in statements filed under this*
4 *section.*]

5 [(7) *This section applies notwithstanding the filing of a certificate under ORS 260.112.*]

6 [(8)] (6) As used in this section:

7 (a) “Legislative official” means any member or member-elect of the Legislative Assembly.

8 (b) “Statewide official” means the Secretary of State or Secretary of State-elect, State Treasurer
9 or State Treasurer-elect, Attorney General or Attorney General-elect and the Commissioner of the
10 Bureau of Labor and Industries or the Commissioner-elect of the Bureau of Labor and Industries.

11 **SECTION 7.** ORS 260.112 is amended to read:

12 260.112. (1)(a) A candidate or a treasurer of a political committee who expects neither the ag-
13 gregate contributions to be received nor the aggregate expenditures to be made by or on behalf of
14 the candidate or political committee to exceed [~~[\$3,000]~~ **\$3,500** in total amount during the calendar
15 year shall file a certificate to that effect with the Secretary of State. The candidate or treasurer
16 shall make the certificate according to the best of the knowledge or belief of the candidate or
17 treasurer. A candidate or treasurer filing a certificate under this section is not required to file
18 statements under ORS 260.057.

19 (b) A treasurer of a petition committee organized under ORS 260.118 who expects neither the
20 aggregate contributions to be received nor the aggregate expenditures to be made by a chief
21 petitioner or the treasurer to exceed [~~[\$3,000]~~ **\$3,500** in total amount during the calendar year shall
22 file a certificate to that effect with the Secretary of State. The treasurer shall make the certificate
23 according to the best of the knowledge or belief of the treasurer. A treasurer filing a certificate
24 under this section is not required to file statements under ORS 260.118.

25 (2) A certificate described in subsection (1) of this section shall be filed:

26 (a) By a candidate, not sooner than the date [*on which*] **that** the candidate [*files a declaration*
27 *of candidacy or nominating petition, accepts a nomination or is nominated to fill a vacancy in a nom-*
28 *ination or in a partisan elective office,*] **files a statement of organization under ORS 260.039**, and
29 not later than seven calendar days after the candidate receives a contribution or makes an ex-
30 penditure.

31 (b) By a treasurer of a political committee, not sooner than the date that the political committee
32 files a statement of organization under ORS 260.042, and not later than seven calendar days after
33 the political committee receives a contribution or makes an expenditure.

34 (c) By a treasurer of a petition committee, not sooner than the date that [*a chief petitioner or*
35 *the treasurer*] **the petition committee** files a statement of organization under ORS 260.118, and not
36 later than seven calendar days after [*a chief petitioner or the treasurer*] **the petition committee**
37 receives a contribution or makes an expenditure.

38 (3) A candidate, political committee or petition committee under this section must keep contri-
39 bution and expenditure records during the calendar year.

40 (4) If at any time following the filing of a certificate under this section and during the calendar
41 year either the aggregate contributions or aggregate expenditures exceed [~~[\$3,000]~~ **\$3,500**, the can-
42 didate or treasurer shall do all of the following:

43 (a) File a statement under ORS 260.057 or 260.118 within seven calendar days after either the
44 aggregate contributions or aggregate expenditures exceed [~~[\$3,000]~~ **\$3,500**. The statement must reflect
45 all contributions received and expenditures made by or on behalf of the candidate, political com-

1 mittee or petition committee to that date, beginning January 1 of the calendar year.

2 (b) If necessary, file additional statements under ORS 260.057 or 260.118.

3 (5) This section does not apply to a candidate for federal office.

4 (6) As used in this section, “contribution” and “expenditure” include a contribution or expendi-
5 ture to or on behalf of an initiative, referendum or recall petition.

6 **SECTION 8.** ORS 260.205 is amended to read:

7 260.205. (1) A filing officer shall inspect each statement filed under ORS 260.057, 260.083,
8 [260.102,] 260.112 or 260.118 not later than the 10th business day after the filing deadline or the 10th
9 business day after the statement is filed, whichever is later.

10 (2) A filing officer immediately shall notify a person required to file a statement with the filing
11 officer under ORS 260.057, 260.083, [260.102,] 260.112 or 260.118 if:

12 (a) Upon examination of relevant materials, it appears to the filing officer that the person has
13 failed to file a required statement or that a statement filed with the filing officer by the person is
14 insufficient; or

15 (b) A complaint is filed with the filing officer under subsection (3) of this section.

16 (3) An elector may file with a filing officer a complaint that a statement filed with the filing
17 officer is insufficient or that a person has failed to file a required statement. The complaint shall
18 be in writing, shall state in detail the reasons for complaint and shall be filed with the filing officer
19 not later than the 90th day after the date the statement of which it complains is filed or should have
20 been filed.

21 (4) If upon receiving notification under subsection (2) of this section a person responds by filing
22 a statement or submitting information to correct an insufficient statement, the filing officer shall
23 confirm whether the person’s response is sufficient not later than 90 days after receiving the re-
24 sponse. If, within 90 days, the filing officer does not confirm whether a response is sufficient under
25 this subsection, the person is not subject to civil penalty under ORS 260.232 for failure to file or
26 failure to include the required information in the statement.

27 **SECTION 9.** ORS 260.215 is amended to read:

28 260.215. (1) For statements filed during each calendar year, each filing officer shall examine each
29 statement filed with the filing officer under ORS 260.044, 260.057, 260.083, [260.102,] 260.112 or
30 260.118 (4) to determine whether the statement is sufficient. The filing officer shall examine state-
31 ments under this section not later than 90 days after the end of each calendar quarter for statements
32 filed during the previous calendar quarter.

33 (2) The filing officer may require any person to answer in writing and upon oath or affirmation
34 before a judge, justice of the peace, county clerk or notary public any question within the knowledge
35 of that person concerning the source of any contribution. The filing officer shall advise the person
36 of the penalty for failure to answer.

37 [(3)(a) For statements filed during each calendar year, in addition to the requirements of this sec-
38 tion and ORS 260.205, the Secretary of State shall review statements filed with the secretary under
39 ORS 260.057 by a candidate, political committee or petition committee. For each review, the secretary
40 shall require a candidate, treasurer of a political committee or treasurer of a petition committee to
41 provide documentation of not more than 10 transactions.]

42 [(b) The secretary by rule shall designate a method by which the statements filed by a candidate
43 or committee shall be randomly selected for review under this subsection. The secretary shall review
44 statements under this subsection twice in a calendar year.]

45 **SECTION 10.** ORS 260.225 is amended to read:

1 260.225. (1) Upon the petition of the Secretary of State or an elector, or of any other filing of-
2 ficer with whom a statement is required to be filed, the circuit court for the county in which the
3 principal office of the filing officer is located may compel a candidate, treasurer or person who fails
4 to file a statement required to be filed with the filing officer under ORS 260.044, 260.057, 260.076,
5 260.083, [260.102,] 260.112 or 260.118, or who files with the filing officer an insufficient statement,
6 to file with the filing officer a proper statement. The petition shall be filed with the circuit court
7 not later than the 90th day after the date the statement is filed or should have been filed.

8 (2) If the court determines that a petition filed under this section is frivolous or the court does
9 not compel the filing of any statement, the candidate, treasurer or person against whom the petition
10 was filed is entitled to recover reasonable attorney fees at trial and on appeal.

11 **SECTION 11.** ORS 260.232 is amended to read:

12 260.232. (1) The Secretary of State may impose a civil penalty as provided in this section, in
13 addition to any other penalty that may be imposed, for:

14 (a) Failure to file a statement or certificate required to be filed under ORS 260.044, 260.057,
15 260.076, 260.078, 260.083, [260.102,] 260.112 or 260.118.

16 (b) Failure to include in a statement filed under ORS 260.057, 260.076, 260.078, 260.083,
17 [260.102,] 260.112 or 260.118 the information required under ORS 260.057, 260.076, 260.083[, 260.102]
18 or 260.118.

19 (2)(a) If a person required to file has not filed a statement or certificate complying with appli-
20 cable provisions of ORS 260.044, 260.057, 260.076, 260.078, 260.083, 260.085, [260.102,] 260.112 or
21 260.118 within the time specified in ORS 260.044, 260.057, 260.076, 260.078 or 260.118, the Secretary
22 of State by first class mail shall notify the person that a penalty may be imposed and that the person
23 has 20 days from the service date on the notice to request a hearing before the Secretary of State.

24 (b) If the person required to file is a candidate or the principal campaign committee of a can-
25 didate, the Secretary of State shall send the notice described in paragraph (a) of this subsection by
26 first class mail to the candidate [*and to the candidate's treasurer or the treasurer of the candidate's*
27 *principal campaign committee*]. The notice [*sent to the candidate*] shall be used for purposes of de-
28 termining the deadline for requesting a hearing under subsection (3) of this section. [*The Secretary*
29 *of State is not required to send two notices if the candidate serves as the treasurer of the candidate's*
30 *principal campaign committee.*]

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

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

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

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

39 (4) A hearing under subsection (3) of this section shall be held not later than 45 days after the
40 deadline for the person against whom the penalty may be assessed to request a hearing. However,
41 if requested by the person against whom the penalty may be assessed, a hearing under subsection
42 (3) of this section shall be held not later than 60 days after the deadline for the person against whom
43 the penalty may be assessed to request a hearing.

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

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

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

7 (a) For failure to file a statement or certificate required to be filed under ORS 260.044, 260.057,
8 260.076, 260.078, 260.083, [260.102,] 260.112 or 260.118, 10 percent of the total amount of the contri-
9 bution or expenditure required to be included in the statement or certificate; or

10 (b) For each failure to include in a statement filed under ORS 260.057, 260.076, 260.078, 260.083,
11 [260.102,] 260.112 or 260.118 the information required under ORS 260.057, 260.076, 260.083[, 260.102]
12 or 260.118, 10 percent of the total amount of the contribution or expenditure required to be included
13 in the statement.

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

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

18 **SECTION 12.** ORS 260.255 is amended to read:

19 260.255. (1) Except as provided in subsection (2) of this section, a filing officer shall preserve
20 each statement filed with the officer under ORS 260.057, 260.076, 260.083, [260.102,] 260.112 or
21 260.118, or an accurate copy of it, for at least six calendar years.

22 (2) The Secretary of State shall maintain all data filed electronically under ORS 260.057 on the
23 Internet for at least six calendar years after the date the secretary first makes the data available.
24 After six calendar years, if the data are not maintained on the Internet, the secretary shall retain
25 and dispose of the data in a manner prescribed by the State Archivist. The State Archivist shall
26 consider the value of the data for legal, administrative or research purposes and shall establish rules
27 for procedures for the retention and disposition of data described in this section.

28 **SECTION 13.** ORS 260.315 is amended to read:

29 260.315. (1) The Secretary of State, at the expense of the state, shall furnish to the other filing
30 officers copies of this chapter.

31 (2) A filing officer shall deliver a copy of this chapter to each candidate or person whom the
32 officer has reason to believe is required to file a statement with the officer under ORS 260.057,
33 260.076, 260.083, [260.102,] 260.112 or 260.118.

34 **SECTION 14.** ORS 260.407 is amended to read:

35 260.407. (1)(a) Except as provided in paragraph (b) of this subsection, amounts received as con-
36 tributions by a candidate or the principal campaign committee of a candidate for public office that
37 are in excess of any amount necessary to defray expenditures and any other funds donated to a
38 holder of public office may be:

39 (A) Used to defray any expenses incurred in connection with the recipient's duties as a holder
40 of public office;

41 (B) Transferred to any national, state or local political committee of any political party;

42 (C) Contributed to any organization described in section 170(c) of the Internal Revenue Code
43 or to any charitable corporation as defined in ORS 128.620; or

44 (D) Used for any other lawful purpose.

45 (b) Amounts received as contributions by a candidate or the principal campaign committee of a

1 candidate for public office that are in excess of any amount necessary to defray expenditures and
2 other funds donated to a holder of public office may not be:

3 (A) Converted by any person to any personal use other than to defray any expenses incurred in
4 connection with the person's duties as a holder of public office or to repay to a candidate any loan
5 the proceeds of which were used in connection with the candidate's campaign;

6 (B) Except as provided in this subparagraph, used to pay any money award as defined in ORS
7 18.005 included as part of a judgment in a civil or criminal action or any civil penalty imposed by
8 an agency as defined in ORS 183.310 or by a local government as defined in ORS 174.116. Contri-
9 butions described in this paragraph may be used to pay a civil penalty imposed under this chapter,
10 other than a civil penalty imposed for a violation of this section or ORS 260.409; or

11 (C) Except as provided in this subparagraph, used to pay any legal expenses incurred by the
12 candidate or public official in any civil, criminal or other legal proceeding or investigation that re-
13 lates to or arises from the course and scope of the duties of the person as a candidate or public
14 official. Contributions described in this paragraph may be used to pay legal expenses incurred by
15 the candidate or public official in connection with a legal proceeding brought under this chapter,
16 other than a proceeding brought under this section or ORS 260.409.

17 (2)(a) Except as provided in paragraph (b) of this subsection, amounts received as contributions
18 by a political committee that is not a principal campaign committee that are in excess of any
19 amount necessary to defray expenditures may be:

20 (A) Used to repay to the political committee any loan the proceeds of which were used in con-
21 nection with the campaign;

22 (B) Transferred to any national, state or local political committee of any political party;

23 (C) Contributed to any organization described in section 170(c) of the Internal Revenue Code
24 or to any charitable corporation as defined in ORS 128.620; or

25 (D) Used for any other lawful purpose.

26 (b) Amounts received as contributions by the political committee may not be:

27 (A) Converted by any person to any personal use;

28 (B) Except as provided in this subparagraph, used to pay any money award as defined in ORS
29 18.005 included as part of a judgment in a civil or criminal action or any civil penalty imposed by
30 an agency as defined in ORS 183.310 or by a local government as defined in ORS 174.116. Contri-
31 butions described in this subsection may be used to pay a civil penalty imposed under this chapter,
32 other than a civil penalty imposed for a violation of this section or ORS 260.409; or

33 (C) Except as provided in this subparagraph, used to pay any legal expenses incurred by a
34 treasurer or director of a political committee in any civil, criminal or other legal proceeding or in-
35 vestigation that relates to or arises from the course and scope of the duties of the person as a
36 treasurer or director. Contributions described in this subsection may be used to pay legal expenses
37 incurred by a treasurer or director in connection with a legal proceeding brought under this chap-
38 ter, other than a proceeding brought under this section or ORS 260.409.

39 (3)(a) Except as provided in paragraph (b) of this subsection, amounts received as contributions
40 by a chief petitioner or treasurer of a petition committee [organized under ORS 260.118] that are in
41 excess of any amount necessary to defray expenditures may be:

42 (A) Used to repay to the chief petitioner any loan the proceeds of which were used in con-
43 nection with the initiative, referendum or recall petition;

44 (B) Transferred to any national, state or local political committee of any political party;

45 (C) Contributed to any organization described in section 170(c) of the Internal Revenue Code

1 or to any charitable corporation as defined in ORS 128.620; or

2 (D) Used for any other lawful purpose.

3 (b) Amounts received as contributions by a chief petitioner or treasurer of a petition committee
4 may not be:

5 (A) Converted by any person to any personal use;

6 (B) Except as provided in this subparagraph, used to pay any money award as defined in ORS
7 18.005 included as part of a judgment in a civil or criminal action or any civil penalty imposed by
8 an agency as defined in ORS 183.310 or by a local government as defined in ORS 174.116. Contri-
9 butions described in this subsection may be used to pay a civil penalty imposed under this chapter,
10 other than a civil penalty imposed for a violation of this section or ORS 260.409; or

11 (C) Except as provided in this subparagraph, used to pay any legal expenses incurred by a chief
12 petitioner or **the treasurer of a petition committee** in any civil, criminal or other legal proceeding
13 or investigation that relates to or arises from the course and scope of the duties of the person as
14 a chief petitioner or treasurer. Contributions described in this subsection may be used to pay legal
15 expenses incurred by a chief petitioner or treasurer in connection with a legal proceeding brought
16 under this chapter, other than a proceeding brought under this section or ORS 260.409.

17 (4) As used in this section:

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

20 (b) "Funds donated" means all funds, including but not limited to gifts, loans, advances, credits
21 or deposits of money that are donated for the purpose of supporting the activities of a holder of
22 public office. "Funds donated" does not mean funds appropriated by the Legislative Assembly or
23 another similar public appropriating body or personal funds of the office holder donated to an ac-
24 count containing only those personal funds.

25 (c) "Public office" does not include national or political party office.

26 **SECTION 15. ORS 260.045, 260.049 and 260.102 are repealed.**

27 **SECTION 16. (1) The amendments to ORS 260.037 by section 2 of this 2013 Act apply to**
28 **defaults or violations by a treasurer occurring before, on or after the effective date of this**
29 **2013 Act.**

30 **(2) The amendments to ORS 260.112 by section 7 of this 2013 Act apply to contributions**
31 **received or expenditures made on or after the effective date of this 2013 Act.**

32 **(3) The amendments to ORS 260.232 by section 11 of this 2013 Act apply to notices sent**
33 **on or after the effective date of this 2013 Act.**

34