

Dexter A. Johnson
LEGISLATIVE COUNSEL



From the Desk of
Senator Brian Boquist

900 COURT ST NE S101
SALEM, OREGON 97301-4065
(503) 986-1243
FAX: (503) 373-1043
www.oregonlegislature.gov/ic

STATE OF OREGON
LEGISLATIVE COUNSEL COMMITTEE

February 26, 2015

Senator Brian Boquist
900 Court Street NE S305
Salem OR 97301

Re: Spot-checks on political committees under ORS chapter 260.

Dear Senator Boquist:

You requested a history of spot-check requirements for political committees. ORS chapter 260 outlines Oregon's campaign finance laws, including the procedures and requirements for transaction spot checks. Since 2005, the Elections Division has conducted "spot check" audits of financial transactions reported by political committees.

From 2007 to 2009, the Elections Division conducted spot checks on all candidate committees, but not petition committees. The Elections Division was required to request documentation for up to eight transactions from each candidate committee four times per year. The quarterly spot checks created a significant burden on the Elections Division's limited staff, particularly during election years.

In 2009, the Legislative Assembly passed Senate Bill 783. The bill extended the spot-check requirement to petition committees, defined as an initiative, referendum or recall petition committee organized under ORS 260.118. Senate Bill 783 also changed the "spot check" audit process to a biannual requirement.¹

In addition to these technical changes to the spot-check process, SB 783 eliminated the requirement that all political committees be audited and instead authorized the Secretary of State to designate by rule a percentage of political and petition committees to spot-check.² This change was identified in the staff measure summary:

Since 2005, the Elections Division has conducted "spot check" audits four times a year of financial transactions reported by political committees. The Elections Division has limited staff resources and to do the workload, particularly during an election year, due to the frequency of the "spot check" audits, they are not completed in a timely manner often resulting in duplicate work by the political committees and the Division. Senate Bill 783-A would not eliminate the audit, but would change audit to a biannual requirement, where a percentage of all committees who have had transactions in a given six-month period will be randomly selected

¹ Section 13, chapter 818, Oregon Laws 2009 (Enrolled Senate Bill 783).

² *Id.*

and then up to 10 transactions will be randomly selected for the audit.³

The resulting spot-check method started with a random selection of 10 percent of all committees that had transactions in a given six-month period, and then up to 10 transactions were randomly selected for review.⁴ The Secretary of State's office used this method from 2010 to 2013, when the Legislative Assembly repealed the provisions of ORS 260.215 that required the Secretary of State to perform spot checks.⁵

The opinions written by the Legislative Counsel and the staff of the Legislative Counsel's office are prepared solely for the purpose of assisting members of the Legislative Assembly in the development and consideration of legislative matters. In performing their duties, the Legislative Counsel and the members of the staff of the Legislative Counsel's office have no authority to provide legal advice to any other person, group or entity. For this reason, this opinion should not be considered or used as legal advice by any person other than legislators in the conduct of legislative business. Public bodies and their officers and employees should seek and rely upon the advice and opinion of the Attorney General, district attorney, county counsel, city attorney or other retained counsel. Constituents and other private persons and entities should seek and rely upon the advice and opinion of private counsel.

Very truly yours,

DEXTER A. JOHNSON
Legislative Counsel



By
Emily M. Maass
Staff Attorney

³ Staff Measure Summary, Joint Committee on Ways and Means, SB 783-B (2009).

⁴ OAR 165-012-0005.

⁵ Section 9, chapter 758, Oregon Laws 2013 (Enrolled Senate Bill 145).