

# Senate Bill 75

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (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. Becomes operative July 1, 2017.

Takes effect only if Senate Joint Resolution 5 (2015) is approved by people at regular general election held in November 2016. Takes effect on effective date of constitutional amendment proposed by Senate Joint Resolution 5 (2015).

## A BILL FOR AN ACT

1  
2 Relating to campaign finance; creating new provisions; repealing chapter 3, Oregon Laws 2007; and  
3 prescribing an effective date.

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

5 **SECTION 1. Sections 2 to 6 of this 2015 Act are added to and made a part of ORS chapter**  
6 **260.**

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

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

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

17 (c) **A campaign finance system that limits overall contributions but still allows individ-**  
18 **uals to pool resources to make a meaningful impact on campaigns fosters a healthy and ac-**  
19 **tive democratic process.**

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

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

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

25 **SECTION 3. (1) As used in this section:**

26 (a) **"Contribute" or "contribution" have the meaning given those terms in ORS 260.005,**  
27 **except that they also include any expenditure for a communication in support of or in oppo-**  
28 **sition to a clearly identified candidate or measure that is made:**

**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) With the cooperation, prior consent or knowledge of a candidate or any agent or  
 2 authorized committee of the candidate; or

3 (B) By any political committee or agent of a political committee that supports or opposes  
 4 a candidate or measure.

5 (b) "Person" has the meaning given that term in ORS 260.005, except that the term:

6 (A) Includes political parties that qualify as a major political party under ORS 248.006 or  
 7 a minor political party under ORS 248.008; and

8 (B) Does not include a candidate, political committee or individual.

9 (2) During each calendar year:

10 (a) An individual may not contribute an aggregate amount exceeding \$2,600 to:

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

12 (B) A political committee.

13 (b) A political committee may not contribute 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.

16 (c) A candidate for a state, county or city office may not contribute an aggregate amount  
 17 exceeding \$2,600 to:

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

20 (B) A political committee.

21 (d) A person may not contribute an aggregate amount exceeding \$2,600 to:

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

23 (B) A political committee.

24 (e) Notwithstanding the contribution limits set forth in paragraphs (a) to (d) of this  
 25 subsection, if a candidate for any state office contributes or lends more than \$100,000 of the  
 26 candidate's own money to the candidate's campaign, the contribution limit that any individ-  
 27 ual, political committee, candidate for state, county or city office, or any other person may  
 28 provide to any candidate or principal campaign committee in the campaign for that specific  
 29 state office is increased to \$10,000.

30 (3) A candidate or a political committee may not accept a contribution in excess of the  
 31 limits specified in this section.

32 (4) In February of each odd-numbered year, the Secretary of State shall adjust the limits  
 33 prescribed in this section based on changes in the Consumer Price Index, as defined in ORS  
 34 327.006. The secretary shall round the amount of the limit to the nearest \$100 and publish  
 35 the revised amount not later than March 1 of the same year. The revised amount takes ef-  
 36 fect on March 1 and applies for the following two years.

37 (5) Not later than seven days after receiving any contribution in excess of the applicable  
 38 limit in this section, a candidate or political committee shall return the excess contribution  
 39 to the person, individual, political committee or candidate who made the contribution.

40 (6) For purposes of this section, a contribution to or on behalf of a candidate includes a  
 41 contribution to or on behalf of the candidate's principal campaign committee.

42 (7) This section does not apply to:

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

45 (b) A political committee or petition committee organized and operated exclusively to

1 support or oppose a measure or petition.

2 (c) Contributions made to or received by a political party that qualifies as a major poli-  
3 tical party under ORS 248.006 or a minor political party under ORS 248.008.

4 (d) Contributions made to or received by a political party committee that is established  
5 by a major or minor political party or a county central committee.

6 (8) The Secretary of State may enact rules necessary to implement this section.

7 **SECTION 4.** (1) As used in this section, “business entity” means a sole proprietorship, a  
8 general partnership or any other business required to register with the Secretary of State.

9 (2) For purposes of the contribution limits established by section 3 of this 2015 Act:

10 (a) All political committees established by the same business entity or its subsidiaries  
11 are treated as a single political committee.

12 (b) All political committees established by the same person are treated as a single poli-  
13 tical committee.

14 (c) All controlled committees controlled by the same candidate or controlled committee  
15 are treated as a single political committee.

16 (d) All contributions of an individual and a business entity shall be aggregated if an in-  
17 dividual, or an individual either jointly or in combination with the spouse of the individual,  
18 has a majority ownership or exercises control of the business entity.

19 (e) All contributions of two or more business entities shall be aggregated if:

20 (A) One business entity is a subsidiary of the other; or

21 (B) At least 75 percent of each business entity is owned or controlled by the same indi-  
22 viduals or business entities.

23 (3) The Secretary of State may enact rules necessary to implement this section.

24 **SECTION 5.** (1) As used in this section, “business entity” has the meaning given that  
25 term in section 4 of this 2015 Act.

26 (2) A person or business entity may not make a contribution in the name of another  
27 person or business entity, or knowingly permit the name of the person or business entity to  
28 be used to effect such a contribution.

29 (3) A person or business entity may not knowingly accept a contribution made by one  
30 person or business entity in the name of another person or business entity.

31 (4) The Secretary of State may enact rules necessary to implement this section.

32 **SECTION 6.** (1) Except as otherwise provided by this section, the Secretary of State or  
33 Attorney General shall impose a civil penalty in the manner provided by ORS 260.995 for a  
34 violation of section 3 or 5 of this 2015 Act.

35 (2) For each violation of section 3 or 5 of this 2015 Act occurring in the same calendar  
36 year, the Secretary of State or Attorney General may impose a civil penalty of up to:

37 (a) For the first violation, the total amount of the contribution that led to the violation.

38 (b) For a second violation, twice the total amount of the contribution that led to the vi-  
39 olation.

40 (c) For a third or successive violation, three times the total amount of the contribution  
41 that led to the violation.

42 (3) The Secretary of State may enact rules necessary to implement this section.

43 **SECTION 7.** Sections 2 to 6 of this 2015 Act apply to contributions and expenditures made  
44 on or after the operative date specified in section 9 of this 2015 Act.

45 **SECTION 8.** This 2015 Act does not become effective unless the amendment to the

1 **Oregon Constitution proposed by Senate Joint Resolution 5 (2015) is approved by the people**  
2 **at the regular general election held in November 2016. This 2015 Act takes effect on the ef-**  
3 **fective date of that amendment.**

4 **SECTION 9. If the conditions established in section 8 of this 2015 Act are satisfied,**  
5 **sections 1 to 6 of this 2015 Act become operative on July 1, 2017.**

6 **SECTION 10. If the conditions established in section 8 of this 2015 Act are satisfied, the**  
7 **Secretary of State may take any action before the operative date specified in section 9 of this**  
8 **2015 Act that is necessary to enable the secretary to exercise, on and after the operative date**  
9 **specified in section 9 of this 2015 Act, all the duties, functions and powers conferred upon**  
10 **the secretary by sections 2 to 6 of this 2015 Act.**

11 **SECTION 11. Chapter 3, Oregon Laws 2007, is repealed.**

12 **SECTION 12. If any part of this 2015 Act is held unconstitutional, the remaining parts**  
13 **shall remain in force unless the court specifically finds that the remaining parts, standing**  
14 **alone, are incomplete and incapable of being executed.**

15