

# House Bill 2578

Sponsored by Representative RAYFIELD (Presession filed.)

## 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**.

Establishes Small Donor Funded Elections program to enable candidates for state office to receive 6-to-1 match on small dollar donations.

### A BILL FOR AN ACT

1  
2 Relating to small donor funded elections.

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

4 **SECTION 1. Sections 2 to 7 of this 2017 Act are added to and made a part of ORS chapter**  
5 **260.**

6 **SECTION 2. As used in sections 2 to 7 of this 2017 Act:**

7 (1)(a) **Except as provided in paragraph (b) of this subsection, "maximum public match"**  
8 **means a candidate's receipt of the following amount of moneys from the Small Donor Funded**  
9 **Elections Fund:**

10 (A) **For candidates for the office of Governor, Secretary of State, State Treasurer, At-**  
11 **torney General or Commissioner of the Bureau of Labor and Industries, 130 percent of the**  
12 **average amount, as determined by the Secretary of State, that was spent by the elected**  
13 **candidate for that state office during the previous two election cycles; and**

14 (B) **For the office of state Senator, state Representative, judge or district attorney, 130**  
15 **percent of the average amount, as determined by the Secretary of State, that was spent by**  
16 **the elected candidates in the races for that state office during the previous two election cy-**  
17 **cles that were the 20 percent most expensive.**

18 (b) **When a candidate is running unopposed for state office, "maximum public match"**  
19 **means a candidate's receipt from the Small Donor Funded Elections Fund of 30 percent of**  
20 **the amount set forth in paragraph (a) of this subsection.**

21 (2) **"Minimum amount of in-state qualifying contributions" means the following amount**  
22 **of qualified small dollar contributions from in-state individuals that a candidate must receive**  
23 **in order to participate in the Small Donor Funded Elections program:**

24 (a) **\$25,000 in qualified small dollar contributions for candidates for the office of Gover-**  
25 **nor, Secretary of State, State Treasurer, Attorney General or Commissioner of the Bureau**  
26 **of Labor and Industries;**

27 (b) **\$12,500 in qualified small dollar contributions for candidates for the office of state**  
28 **Senator or state Representative; or**

29 (c) **\$6,250 in qualified small dollar contributions for candidates for the office of judge or**  
30 **district attorney.**

31 (3) **"Minimum number of in-state qualifying contributions" means the following number**

**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 of in-state individuals that a candidate must receive qualified small dollar contributions from  
 2 in order to participate in the Small Donor Funded Elections program:

3 (a) 1,000 donors for candidates for the office of Governor, Secretary of State, State  
 4 Treasurer, Attorney General or Commissioner of the Bureau of Labor and Industries;

5 (b) 500 donors for candidates for the office of state Senator or state Representative; or

6 (c) 250 donors for candidates for the office of judge or district attorney.

7 (4) “Nonmatching small donor contribution” means a contribution of between \$1 and \$125  
 8 from a person that is neither an individual nor the political committee of a major political  
 9 party to a candidate for state office.

10 (5) “People’s political committee” means a political committee that accepts contributions  
 11 only from individuals in aggregate amounts of no more than \$150 per calendar year.

12 (6) “Qualified small dollar contribution” means a contribution of between \$1 and \$125  
 13 from an individual to a candidate for state office.

14 (7) “Qualifying period” means a 120-day period that begins on the date a candidate for  
 15 state office files a statement of intent to participate in the Small Donor Funded Elections  
 16 program.

17 **SECTION 3.** (1) In order to participate in the Small Donor Funded Elections program, a  
 18 candidate for state office must:

19 (a) File a statement of intent with the Secretary of State at any time during the period  
 20 that begins immediately after the date of a general election and ends on the date 150 days  
 21 before the date of the next general election;

22 (b) Collect at least the minimum amount of in-state qualifying contributions during the  
 23 qualifying period; and

24 (c) Collect at least the minimum number of in-state qualifying contributions during the  
 25 qualifying period.

26 (2) A candidate who satisfies each requirement set forth in subsection (1) of this section  
 27 shall receive from the Small Donor Funded Elections Fund an amount equal to six dollars  
 28 for every one dollar in qualified small dollar contributions received, provided that the amount  
 29 received by the candidate does not exceed the maximum public match. The distribution of  
 30 moneys from the fund shall be done in the manner set forth in section 4 of this 2017 Act.

31 (3) In addition to qualified small dollar contributions and moneys received from the Small  
 32 Donor Funded Elections Fund under subsection (2) of this section and section 4 of this 2017  
 33 Act, candidates who participate in the Small Donor Funded Elections program may:

34 (a) Receive nonmatching small donor contributions from an unlimited number of donors.

35 (b) Receive unlimited contributions from a person’s political committee.

36 (c) Receive in-kind assistance in negotiating services and goods with vendors from a  
 37 political committee operated by a political party.

38 (d) Use personal moneys, or moneys raised from any legal source other than a political  
 39 committee operated by a political party, to establish the candidate’s campaign. The aggregate  
 40 amount of money used or raised under this paragraph may not exceed:

41 (A) \$12,000 for candidates for the office of Governor, Secretary of State, State Treasurer,  
 42 Attorney General or Commissioner of the Bureau of Labor and Industries;

43 (B) \$6,000 for candidates for the office of state Senator or state Representative; or

44 (C) \$3,000 for candidates for the office of judge or district attorney.

45 (4)(a) Except as provided in paragraph (b) of this subsection, contributions received by a

1 candidate who participates in the Small Donor Funded Elections program may be used in any  
2 manner consistent with ORS 260.407.

3 (b) Moneys received from the Small Donor Funded Elections Fund under subsection (2)  
4 of this section or section 4 of this 2017 Act:

5 (A) Shall be used only for legitimate campaign expenses, as determined by rule by the  
6 Secretary of State; and

7 (B) May not be used to:

8 (i) Pay salaries for family members of the candidate;

9 (ii) Make purchases from a business or entity owned by the candidate or the candidate's  
10 family; or

11 (iii) Pay for campaign expenditures at a rate greater than fair market value.

12 (5) A candidate who participates in the Small Donor Funded Elections program may not:

13 (a) Coordinate election activities with any entity that makes independent expenditures  
14 related to the candidate, the office the candidate is seeking or the election the candidate is  
15 participating in.

16 (b) Receive contributions that are not authorized by this section.

17 (c) Receive more than one qualified small dollar contribution or nonmatching small donor  
18 contribution from a single donor during:

19 (A) The period starting on the day after the date of a general election and ending on the  
20 date of the next primary election; or

21 (B) The period starting on the day after the date of a primary election and ending on the  
22 date of the next general election.

23 (6) A candidate who participates in the Small Donor Funded Elections program and re-  
24 ceives a contribution that exceeds the amount that would constitute a qualified small dollar  
25 contribution or a nonmatching small donor contribution shall within two weeks:

26 (a) Return to the person making the contribution the amount contributed that is in ex-  
27 cess of the statutory limits; or

28 (b) Withdraw from the program and return to the Secretary of State for deposit into the  
29 Small Donor Funded Elections Fund the total amount of public moneys distributed to the  
30 candidate under subsection (2) of this section or section 4 of this 2017 Act plus interest.

31 (7) Following each general election, a candidate who participates in the Small Donor  
32 Funded Elections program shall return to the Secretary of State for deposit into the Small  
33 Donor Funded Elections Fund any unspent public moneys that were provided to the candi-  
34 date under subsection (2) of this section or section 4 of this 2017 Act.

35 **SECTION 4.** The Secretary of State by rule shall establish a process for distributing  
36 moneys from the Small Donor Funded Elections Fund to candidates who have met all of the  
37 requirements set forth in section 3 (1) of this 2017 Act for participation in the Small Donor  
38 Funded Elections program. As part of this process:

39 (1) The Secretary of State shall certify that a candidate has completed each requirement  
40 set forth in section 3 (1) of this 2017 Act.

41 (2) Upon providing certification under subsection (1) of this section, the Secretary of  
42 State shall provide moneys from the Small Donor Funded Elections Fund to the candidate  
43 in an amount equal to six dollars for every one dollar in qualified small dollar contributions  
44 received, provided that the amount received by the candidate does not exceed the maximum  
45 public match.

1 (3) Following an initial distribution made under subsection (2) of this section, the candi-  
2 date may file with the Secretary of State additional statements for moneys from the Small  
3 Donor Funded Elections Fund. Except as provided in subsection (4) of this section, additional  
4 statements for moneys:

5 (a) May be filed only after the candidate has received qualified small dollar contributions  
6 of at least \$5,000 since the candidate last filed a statement.

7 (b) May not be filed more than one time per week.

8 (4) During the 30 days immediately preceding the general election, a candidate may file  
9 additional statements for moneys from the Small Donor Funded Elections Fund without re-  
10 ceiving qualified small dollar contributions of at least \$5,000.

11 **SECTION 5.** (1) A candidate participating in the Small Donor Funded Elections program  
12 who knowingly falsifies campaign records or who knowingly violates any provision in sections  
13 2 to 7 of this 2017 Act:

14 (a) May no longer participate in the program;

15 (b) Shall be required to return to the Secretary of State for deposit into the Small Donor  
16 Funded Elections Fund the total amount of public moneys distributed to the candidate under  
17 sections 3 (2) and 4 of this 2017 Act plus interest; and

18 (c) Is personally liable for the return of any public moneys that have already been ex-  
19 pended.

20 (2) The Secretary of State by rule shall conduct reasonable audits of participants in the  
21 Small Donor Funded Elections program to ensure the integrity of the program.

22 (3) A candidate may use the appeal mechanism established in ORS 246.910 to challenge  
23 any decision of the Secretary of State relating to the candidate's ability to participate in the  
24 Small Donor Funded Elections program.

25 **SECTION 6.** (1) Any person or political party may operate both a political committee and  
26 a people's political committee, provided that the person or political party:

27 (a) Establishes segregated campaign accounts for the political committee and the people's  
28 political committee.

29 (b) Does not transfer moneys from the political committee to the people's political com-  
30 mittee. The person or political party may transfer moneys from the people's political com-  
31 mittee to the political committee.

32 (c) Does not itself split a contribution from an individual, so that part of the individual's  
33 contribution goes to the people's political committee and part of the contribution goes to the  
34 political committee.

35 (2) Any individual may make a contribution to both a people's political committee and a  
36 political committee that is operated by the same person or political party.

37 (3)(a) Except as provided in paragraph (b) of this subsection, a political party may not  
38 make any expenditures on behalf of a candidate participating in the Small Donor Funded  
39 Elections program.

40 (b) A people's political committee that is operated by a political party may make unlim-  
41 ited expenditures in coordination with any candidate that is participating in the Small Donor  
42 Funded Elections program.

43 **SECTION 7.** (1) The Small Donor Funded Elections Fund is established in the State  
44 Treasury, separate and distinct from the General Fund. Interest earned by the Small Donor  
45 Funded Elections Fund shall be credited to the fund. All moneys in the fund are continuously

1 appropriated to the Secretary of State for the purpose of administering sections 2 to 7 of this  
2 2017 Act.

3 (2) The fund consists of moneys appropriated to the fund by the Legislative Assembly and  
4 moneys returned to the fund by candidates who participate in the Small Donor Funded  
5 Elections program in the manner set forth in sections 2 to 7 of this 2017 Act.

6 **SECTION 8.** (1) Notwithstanding section 2 of this 2017 Act, for the 2018 general election  
7 the maximum public match shall be:

8 (a) \$9,590,000 for candidates for the office of Governor;

9 (b) \$1,900,000 for candidates for the office of Secretary of State;

10 (c) \$1,420,000 for candidates for the office of Attorney General;

11 (d) \$9,800,000 for candidates for the office of State Treasurer;

12 (e) \$1,100,000 for candidates for the office of Commissioner of the Bureau of Labor and  
13 Industries;

14 (f) \$1,150,000 for candidates for the office of state Senator;

15 (g) \$740,000 for candidates for the office of state Representative;

16 (h) \$500,000 for candidates for the office of Supreme Court judge;

17 (i) \$40,000 for candidates for the office of Court of Appeals judge or circuit court judge;  
18 and

19 (j) \$40,000 for the office of district attorney.

20 (2) As used in this section, "maximum public match" has the meaning given that term  
21 in section 2 of this 2017 Act.

22 **SECTION 9.** Section 8 of this 2017 Act is repealed on January 2, 2019.  
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