

House Bill 3160

Sponsored by Representative EVANS

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 publicly traded corporation that makes political expenditure of more than \$100 in calendar year to first obtain approval for political expenditure from shareholders by affirmative vote of majority of shares entitled to vote.

Requires corporation to disclose amount, recipient and purpose of each political expenditure in excess of \$100 in each calendar year. Requires directors of publicly traded corporation to disclose statement of economic interest that provides certain information with respect to director's or officer's interest in recipient of political expenditure or in candidate or expected change in policy for which publicly traded corporation made political expenditure.

Becomes operative on January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to political expenditures by publicly traded corporations; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 60.**

4 **SECTION 2. (1) As used in this section:**

5 (a) "Political expenditure" means a contribution, gift, transfer, disbursement or promise
6 or pledge of a corporation's money, property, services or any other item of value that be-
7 longs to the corporation for the purpose of promoting a candidacy in an election for public
8 office, a political party, a referendum or initiative measure or an individual, group, organ-
9 ization or other entity that promotes a candidacy in an election for public office, a political
10 party or a referendum or initiative measure.

11 (b) "Publicly traded corporation" means a corporation that has shares listed on a na-
12 tional securities exchange or the shares of which are regularly traded in a market that one
13 or more members of a national or affiliated securities association maintains.

14 (2) A publicly traded corporation may not make a political expenditure of more than \$100
15 in any calendar year unless the publicly traded corporation's shareholders authorize the
16 political expenditure by affirmative vote of a majority of the shares of the publicly traded
17 corporation that are entitled to vote.

18 (3)(a) A publicly traded corporation that makes a political expenditure of more than \$100
19 in any calendar year shall make publicly available and easily accessible on the publicly traded
20 corporation's website a complete report of the publicly traded corporation's political expen-
21 ditures for the calendar year, listing the amount and recipient of each political expenditure
22 and describing a purpose for the political expenditure that the publicly traded corporation's
23 articles of incorporation or bylaws authorize or require.

24 (b) The Department of Revenue shall disallow all credits, deductions or allowances for
25 which a publicly traded corporation would be eligible under the tax laws of this state if the
26 publicly traded corporation does not make the report described in paragraph (a) of this sub-
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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 section available as provided in paragraph (a) of this subsection.

2 (4) Each member of the board of directors and officer of a publicly traded corporation
3 that makes a political expenditure of more than \$100 in a calendar year shall make publicly
4 available and easily accessible on the publicly traded corporation's website a statement of the
5 director's or officer's economic interest in the political expenditure and in the recipient of
6 the political expenditure. The statement of economic interest must disclose:

7 (a) All financial benefits that will accrue to the director or officer as a direct or indirect
8 result of the political expenditure;

9 (b) The results, including the election of a candidate or a change in a policy or set of
10 policies, that the director or officer expected would be a direct or indirect result of the pol-
11 itical expenditure and how the election of the candidate or the change in the policy or set
12 of policies would benefit the director or officer and the publicly traded corporation, finan-
13 cially or otherwise; and

14 (c) Any ownership interest the director or officer has in any recipient of a political ex-
15 penditure that is an entity and the extent of the director's or officer's ownership interest
16 measured by the number of shares or the percentage of the total equitable interest the di-
17 rector or officer holds in the entity.

18 (5) A political expenditure that occurs without compliance with this section is a corpo-
19 rate action that is subject to challenge as provided in ORS 60.084.

20 (6) A director or officer of a publicly traded corporation who makes a political expendi-
21 ture without first complying with this section is personally liable to the publicly traded cor-
22 poration for the amount of the political expenditure, plus interest at an annual rate of six
23 percent until the director or officer repays the publicly traded corporation.

24 (7) A publicly traded corporation that is a foreign corporation shall comply with the re-
25 quirements of this section with respect to a political expenditure that the publicly traded
26 corporation makes within this state. For the purposes of this subsection, a publicly traded
27 corporation that is a foreign corporation makes a political expenditure within this state if
28 the publicly traded corporation:

29 (a) Transfers money, property or an item of value into this state or performs services
30 in this state for the purpose of making a political expenditure;

31 (b) Draws money for a political expenditure from a financial institution located in this
32 state; or

33 (c) Directs the political expenditure toward or for the benefit of an individual, group,
34 organization or other entity that resides in or is located in this state.

35 **SECTION 3.** Section 2 of this 2019 Act becomes operative on January 1, 2020.

36 **SECTION 4.** This 2019 Act takes effect on the 91st day after the date on which the 2019
37 regular session of the Eightieth Legislative Assembly adjourns sine die.

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