House Bill 3343
Sponsored by Representatives SALINAS, CLEM; Representatives ALONSO LEON, DEXTER, HUDSON, LIVELY, MEEK, PHAM, POWER, REARDON, RUIZ, Senators FREDERICK, GOLDEN, JAMA

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 limits on campaign contributions that may be accepted by candidates and political committees.
Establishes limits on candidate’s personal contributions and expenditures.
Requires Secretary of State and Attorney General to impose civil fine of not less than five times, nor more than 20 times, amount of offending contribution or expenditure. Grants Oregon electors standing to sue to enforce penalty provisions.
Authorizes employee or contractor to bring civil suit if entity either requires employee or contractor to make contribution or promises or threatens any benefit or detriment if employee or contractor makes or refuses to make contribution. Imposes minimum civil award of $20,000 for violation.
Becomes operative on first day of new election cycle for each public office.
Declares emergency, effective on passage.

A BILL FOR AN ACT
Relating to campaign finance; and declaring an emergency.

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

SECTION 1. Sections 2 to 9 of this 2021 Act are added to and made a part of ORS chapter 260.

SECTION 2. As used in sections 2 to 9 of this 2021 Act:
(1) “Business entity” means any corporation, partnership, limited liability company, proprietorship, firm, enterprise, franchise, association or other legal entity operated for economic gain that is legally separate from an individual.
(2) “Contribute,” “contribution” and “expenditure,” notwithstanding ORS 260.005 and 260.007, do not include moneys provided to a principal campaign committee by a public body as defined in ORS 174.109 pursuant to a system of public funding of campaigns in which the candidate participates.
(3) “Election contest” means an election at which one or more candidates compete to be elected to a public office.
(4)(a) “Election cycle,” except as provided in paragraph (b) of this subsection, means the period of time starting on the day after the date of a general election and ending on the date of the next general election.
(b) “Election cycle,” for an election contest that does not occur on the date of the general election, means the period of time between an election at which a candidate is elected to public office and the next election for the same office, regardless of any other elections that occur during that period including a general election, primary or nominating election, recall election or special election called to fill a vacancy.
(5) “Election period” means any of the following:
(a) The period beginning on the day after the date of a general election and ending on the
date of the next general election;

(b) The period beginning on the day after the date of a primary election and ending on
the date of the next primary election; and

(c) For a special election called to fill a vacancy in a public office, the period beginning
on the date that the election is declared and ending on the date of the election.

(6) “Entity” means any corporation, limited liability company, labor union, association,
firm, partnership, joint stock company, club, proprietorship, firm, enterprise, franchise, as-

sociation, organization or other combination of individuals that has collective capacity and
is legally separate from an individual.

(7)(a) “Individual,” except as provided in paragraph (b) of this subsection, means a human

being who is entitled to vote in federal elections.

(b) “Individual” means any human being, when a limitation or prohibition on an action
is imposed under sections 2 to 9 of this 2021 Act.

(8) “Measure committee” means any entity, or any combination of entities or individuals,
that receives a contribution or makes an expenditure in excess of $200 in a calendar year to
support or oppose a ballot measure.

(9) “Multicandidate committee” means a political committee that exclusively supports or
opposes one or more candidates for election to public office in this state.

(10) “Political committee,” notwithstanding ORS 260.005, means a principal campaign
committee, multicandidate committee, political party finance committee or small donor
committee.

(11) “Political party” means:

(a) A political party that has qualified as a major political party under ORS 248.006; or

(b) A political party that has qualified as a minor political party under ORS 248.008.

(12) “Political party finance committee” means a political committee that:

(a) Is established and maintained by a political party or a subdivision of a political party;
and

(b) Is exclusively responsible for receiving contributions and making expenditures on be-

half of the political party or subdivision of the political party.

(13) “Prominently disclose” means that:

(a) The disclosure is readily comprehensible to an individual with average reading, vision

and hearing faculties; and

(b)(A) Any printed disclosure appears in a typeface of contrasting color and in a font size

that is at least as large as the font size used for the majority of the text in the printed ma-

terial;

(B) Any video disclosure is readable without the use of closed captioning and is visible

for four or more seconds;

(C) Any video disclosure is accompanied by an auditory disclosure of the required infor-

mation;

(D) Any auditory disclosure is spoken at a maximum rate of five words per second;

(E) Any disclosure displayed on an Internet website or as part of an electronic mail

message is in a typeface of contrasting color and in a font size that is at least as large as

the font size used for the majority of the text used on the website or in the body of the

message; and

(F) Any disclosure on a billboard or sign appears in a typeface of contrasting color and
in a font size that is at least 20 percent of the height of the billboard or sign.

(14)(a) “Public office,” notwithstanding ORS 260.005 and except as provided in paragraph
(b) of this subsection, means any state, county, district, city office or other government po-
osition that is filled by the electors.

(b) “Public office” does not include:
(A) Any national or federal office; or
(B) Any political party office.

(15) “Small donor committee” means a political committee that, except as provided in
section 6 (9) of this 2021 Act, has never accepted a contribution:
(a) From any person other than an individual; or
(b) In an amount that exceeds $100 per individual contributor per calendar year.

(16) “Small campaign items” means:
(a) Small items worn or carried by individuals, including buttons, pins, stickers, bracelets
and pens;
(b) Signs smaller than six square feet; or
(c) Any item for which the required prominent disclosure would violate a federal law or
federal regulation.

(17) “Statewide public office” means a public office that is voted on by electors across the
state.

SECTION 3. (1)(a) A candidate, or a political committee that makes expenditures in
support of or in opposition to any candidate:
(A) May accept contributions only from the sources and in the amounts authorized by
sections 2 to 9 of this 2021 Act; and
(B) May not accept a contribution from a measure committee.

(b) An individual or entity may not make a contribution to support or oppose a candidate
for public office that is not expressly permitted to be received by a candidate or political
committee under sections 2 to 9 of this 2021 Act.

(c) A measure committee may not make a contribution or expenditure in support of or
in opposition to any candidate for public office, or to any entity that makes expenditures in
support of or in opposition to one or more candidates for public office.

(2) During an election cycle, a candidate for public office or the principal campaign
committee of a candidate for public office may accept only the following contributions in the
aggregate:
(a) From an individual, not more than:
   (A) $1,000, if the candidate is seeking statewide public office; or
   (B) $500, if the candidate is seeking a public office other than a statewide public office;
   (b) From any other principal campaign committee or multicandidate committee, not
   more than:
   (A) $1,000, if the candidate is seeking statewide public office; or
   (B) $500, if the candidate is seeking a public office other than a statewide public office;
   (c) From all of the political party finance committees of any single political party com-
bined, not more than:
   (A) $50,000, if the candidate is seeking statewide public office; or
   (B) $10,000, if the candidate is seeking a public office other than a statewide public office;
   and
(d) From a small donor committee, not more than 20 times the limit on contributions that the candidate or the principal campaign committee of the candidate may receive from a multicandidate committee.

(3) During a calendar year, a multicandidate committee may accept only the following contributions in the aggregate:

(a) From an individual, not more than $500; and
(b) From any principal campaign committee or other multicandidate committee, not more than $500.

(4) During a calendar year, all of a political party’s finance committees may, in the aggregate, accept only the following contributions:

(a) From an individual, not more than $5,000; and
(b) From any principal campaign committee or multicandidate committee, not more than $10,000.

(5) Notwithstanding subsections (1) to (4) of this section, during an election period an individual who is younger than 16 years of age may not make aggregate contributions in excess of $200 to any candidate or principal campaign committee of a candidate, political committee or political party.

(6) Subsections (1) to (5) of this section do not apply to a candidate’s personal contributions or expenditures made to assist the candidate’s campaign.

(7) On January 1 of each odd-numbered year, the Secretary of State shall adjust the dollar amounts set forth in this section by the cumulative change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, or its successor index, since the previous adjustment. The adjustments performed under this subsection shall be rounded to the nearest $10 increment.

SECTION 4. (1)(a) Notwithstanding section 3 of this 2021 Act and except as provided in paragraph (b) of this subsection, during an election period:

(A) A candidate for statewide public office may not contribute more than $50,000 to the candidate’s principal campaign committee; and

(B) A candidate for a public office other than a statewide public office may not contribute more than $10,000 to the candidate’s principal campaign committee.

(b) The limits on the amount a candidate may contribute to the candidate’s principal campaign committee that are set forth in paragraph (a) of this subsection shall be increased by 50 percent for a candidate who is not an incumbent of the public office sought at the election contest.

(2) All expenditures made by a candidate in support of the candidate’s election contest are considered a contribution and are subject to the limits set forth in subsection (1) of this section.

(3)(a) A candidate may not make a loan to the principal campaign committee of the candidate.

(b) If paragraph (a) of this subsection is not in effect or enforced for any reason, every loan a candidate makes to the candidate’s principal campaign committee that is outstanding at the end of the election period is considered a contribution and may not be repaid to the candidate by the candidate’s principal campaign committee.

(4)(a) In addition to any disclosure requirements for communications set forth in ORS
260.266 and except as provided in paragraph (c) of this subsection, every communication relating to a candidate's election contest that is paid for, in whole or in part, by the candidate or the principal campaign committee of the candidate shall prominently disclose the amount the candidate has contributed to the candidate's principal campaign committee.

(b) The dollar amount required to be disclosed under paragraph (a) of this subsection must be accurate:

(A) As of 10 days before the most recent printing, for printed communications; or
(B) As of five days before transmitting video, audio or Internet communications.

(c) This subsection does not apply to:

(A) A candidate who has contributed $1,000 or less to the candidate's principal campaign committee; or
(B) Small campaign items.

(5) On January 1 of each odd-numbered year, the Secretary of State shall adjust the dollar amounts set forth in this section by the cumulative change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, or its successor index, since the previous adjustment. The adjustments performed under this subsection shall be rounded to the nearest $10 increment.

SECTION 5. Notwithstanding any other provision of sections 2 to 9 of this 2021 Act, a business entity or labor union may establish or administer a separate, segregated fund that operates as a political committee, if:

(1) The fund consists solely of voluntary contributions from the individual employees, officers, shareholders or members of the entity, with the aggregate amount contributed by each individual conforming to the limits set forth in section 3 (2)(d) of this 2021 Act;
(2) The fund files as a political committee in the manner set forth in ORS 260.042;
(3) The entity uses no more than $500 per year of treasury moneys to create or administer the fund, with expenditures described under this subsection reported as a specifically allowed contribution to the political committee; and
(4) Any solicitation for contributions that is directed to an employee of a business entity states that there is no required contribution and that the employee's decision to contribute or not contribute will not affect the employee's employment and will not be provided to the employee's supervisors or managers.

SECTION 6. (1) Notwithstanding any filings made under ORS 260.042 or any other provision of law, for purposes of the contribution limits and other requirements established in sections 2 to 9 of this 2021 Act:

(a) All political committees established, financed, maintained or controlled by the same corporation, or substantially the same group of corporations, including all corporate affiliates and subsidiaries, are considered to be a single political committee;
(b) All political committees established, financed, maintained or controlled by the same labor organization unit, at any level, if the organization unit has the authority to make an independent decision as to which candidates to support or oppose, are considered to be a single political committee; and
(c) All political committees not described in paragraph (a) or (b) of this subsection that are established, financed, maintained or controlled by substantially the same group of individuals, entities or combinations thereof are considered to be a single political committee.
(2) Except for contribution limits applicable to small donor committees, any local government may adopt contribution limits that are lower than those required by sections 2 to 9 of this 2021 Act for election contests of the local government.

(3) An individual or entity may not make a contribution or expenditure either anonymously or in any name other than that of the individual or entity that provided the source funds for the contribution.

(4) No individual or entity may, directly or indirectly:

(a) Require an employee or contractor to make a contribution or independent expenditure to support or oppose any candidate; or

(b) Provide or promise any benefit or impose or threaten any detriment due to a decision by an employee or contractor on whether to make a contribution or independent expenditure to support or oppose a candidate.

(5)(a) Except as otherwise provided in this subsection, no later than 60 calendar days after the end of the applicable election cycle, any unexpended moneys that remain in the principal campaign committee of a candidate, except for those moneys reasonably necessary to pay the outstanding debts of the committee and to terminate the committee's operations, shall be provided to the Secretary of State for the purpose of producing the voters' pamphlet.

(b) A candidate elected to the Legislative Assembly may deposit up to $10,000 in unexpended funds from the candidate's principal campaign committee into an account maintained for the candidate's legislative office expenses during regular and special sessions of the Legislative Assembly.

(6)(a) If, in the absence of this subsection, a court would determine that any numeric limit or threshold, percentage limit or threshold, time period or age limits otherwise set forth in sections 2 to 9 of this 2021 Act are in conflict with the United States Constitution or the Oregon Constitution, then:

(A) Any conflicting numeric limit or threshold shall be increased by increments of $100 as many times as necessary to render it consistent with the relevant Constitution;

(B) Any conflicting percentage limit or threshold shall be increased by increments of one percent as many times as necessary to render it consistent with the relevant Constitution;

(C) Any conflicting time period shall be increased or decreased by increments of one day as many times as necessary to render it consistent with the relevant Constitution; and

(D) Any conflicting age limit shall be decreased by increments of one year as many times as necessary to render it consistent with the relevant Constitution.

(b) A prohibition that is set forth in sections 2 to 9 of this 2021 Act is considered a numeric limit of zero.

(7) If, in the absence of this subsection, a court would determine that any part of sections 2 to 9 of this 2021 Act may not be fully implemented on the ground that the United States Constitution or Oregon Constitution requires that any individual or entity be wholly or partially exempt from any of the prohibitions or limitations contained in sections 2 to 9 of this 2021 Act, then sections 2 to 9 of this 2021 Act shall be given a narrowing interpretation so as to avoid invalidation of any provision of sections 2 to 9 of this 2021 Act and to preserve the effectiveness of sections 2 to 9 of this 2021 Act to the maximum degree permissible under the United States Constitution and Oregon Constitution.

(8)(a) The principal campaign committee of a candidate may not make a contribution to any other political committee if the contribution was in any way directed or instructed by
an individual or entity that made a contribution to the principal campaign committee.

(b) A violation of paragraph (a) of this subsection shall result in the forfeiture of all amounts contributed, in addition to any other penalties that may be assessed by law.

(9) A small donor committee that receives contributions that would prohibit the committee from qualifying as a small donor committee as defined in section 2 of this 2021 Act may continue to qualify as a small donor committee if the committee returns each nonforming contribution no later than 10 calendar days after the contribution was received.

SECTION 7. (1) Sections 2 to 9 of this 2021 Act shall be administered and enforced by the Secretary of State, the Attorney General and Oregon's electors.

(2)(a) Except as provided in paragraph (b) of this subsection, each violation of a provision of sections 2 to 9 of this 2021 Act, including an expenditure that is not made in compliance with the disclosure requirements set forth in section 4 of this 2021 Act, shall be punished by a civil fine that is not less than five times, nor more than 20 times, the amount of the unlawful contribution or expenditure.

(b) The recipient of a contribution that violates a provision of sections 2 to 9 of this 2021 Act may remedy the violation by refunding to the individual or entity that made the contribution, within 10 calendar days of receiving the contribution, an amount that makes the initial contribution in compliance with sections 2 to 9 of this 2021 Act.

(3)(a) Any person may file a written complaint alleging a violation of any provision of sections 2 to 9 of this 2021 Act with the Secretary of State or, if the alleged violation was committed by the Secretary of State, with the Attorney General.

(b) Within two business days of receiving a complaint under this subsection, the Secretary of State or Attorney General shall provide to the subject or subjects of the complaint, via electronic mail, a notice that the complaint has been filed and a copy of the complaint. If the Secretary of State or Attorney General does not have the electronic mail address for the subject or subjects of the complaint, the notice and copy of the complaint are considered to be delivered at the time they are mailed to the subject or subjects of the complaint.

(c) No later than 10 business days after delivering notice under paragraph (a) of this subsection, the Secretary of State or Attorney General shall refer the complaint to the Office of Administrative Hearings. The office shall provide the Secretary of State or Attorney General, complainant and subject or subjects of the complaint with the ability to require a contested case hearing by filing a written request for a contested case hearing with the office no later than 10 business days after delivery of the notice under paragraph (a) of this subsection. The office shall hold a contested case hearing requested under this paragraph no later than 30 business days after the filing of the request.

(d)(A) The Office of Administrative Hearings shall render a final decision in a contested case hearing requested under paragraph (b) of this subsection no later than 10 business days after the completion of the hearing.

(B) If a contested case hearing is not requested under paragraph (b) of this subsection, the Office of Administrative Hearings shall render a final decision on the complaint no later than 10 business days after the deadline for requesting a contested case hearing under paragraph (b) of this subsection.

(e) A final decision rendered under paragraph (c) of this subsection shall include any appropriate order, sanction or relief authorized by law.

(f) A final decision of the Office of Administrative Hearings under this subsection shall
be subject to review by the Court of Appeals as an agency decision in a contested case.

(g) A final decision of the Office of Administrative Hearings that is entered under this subsection shall be enforced by the Secretary of State and the Attorney General. If the decision of the office is not enforced within 30 business days of the decision becoming final, or 30 calendar days after the completion of any judicial review of the decision, the complainant may bring a civil action in a representative capacity for the collection of the applicable civil penalty, to be paid into the State Treasury.

(4) Every document that is filed or entered as part of a proceeding described in this section must be made publicly available on the Internet website of the Secretary of State no later than two business days after the document is filed or submitted.

(5) In addition to any other remedy permitted by law, any individual or entity that is adversely affected by a violation of any provision of sections 2 to 9 of this 2021 Act, or that filed a complaint under this section alleging a violation of sections 2 to 9 of this 2021 Act, may bring a civil action in a representative capacity against the alleged violator for the collection of the applicable civil penalty, to be paid into the State Treasury.

SECTION 8. (1) Any individual who is subjected to a violation of section 6 (4) of this 2021 Act may file a civil action in the appropriate circuit court against the entity alleged to have violated section 6 (3) of this 2021 Act. Upon a finding that an entity has violated section 6 (4) of this 2021 Act, the complainant shall receive a civil award of not less than $20,000 plus an award of reasonable attorney fees.

(2) The amount awarded to a complainant under this section is separate from, and in addition to, any penalties imposed on an entity under section 7 of this 2021 Act.

SECTION 9. (1) To the extent any conflict exists, the provisions of sections 2 to 9 of this 2021 Act shall supersede any other law.

(2) For purposes of determining the constitutionality of the provisions of sections 2 to 9 of this 2021 Act, every section, subsection and subdivision thereof shall be evaluated separately. If any section, subsection or subdivision thereof is held invalid, the remaining sections, subsections and subdivisions thereof shall remain in full force and effect. The courts shall sever any sections, subsections or subdivisions thereof necessary to render sections 2 to 9 of this 2021 Act consistent with the United States Constitution, Oregon Constitution and federal law. Each section, subsection and subdivision thereof shall be considered severable, individually or in any combination.

SECTION 10. (1) No later than 90 calendar days after the effective date of this 2021 Act, a political committee that is not organized as a small donor committee may reorganize as a small donor committee if, during the previous 24-month period, not less than 90 percent of the total amount of moneys contributed to the political committee was contributed by individuals in amounts not exceeding $100 per individual donor per calendar year. Any moneys in the financial accounts of a political committee that reorganizes under this section shall transfer to the newly organized small donor committee and may be used in the same manner as any other moneys contributed to the small donor committee.

(2) As used in this section, “political committee” and “small donor committee” have the meaning given those terms in section 2 of this 2021 Act.

SECTION 11. Section 10 of this 2021 Act is repealed on July 2, 2022.

SECTION 12. (1) Sections 2 to 9 of this 2021 Act become operative on the first day of a new election cycle for each public office that occurs on or after the effective date of this 2021
Act.

(2) The Secretary of State may take any action before the operative date specified in subsection (1) of this section that is necessary for the Secretary of State to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the Secretary of State by sections 2 to 9 of this 2021 Act.

(3)(a) A political committee may take any action before the operative date set forth in subsection (1) of this section that is necessary for the political committee to be in compliance with the requirements set forth in sections 2 to 9 of this 2021 Act no later than the operative date set forth in subsection (1) of this section.

(b) The Secretary of State shall reorganize as a multicandidate political committee any active political committee that remains organized to operate as a miscellaneous political committee on November 9, 2022. Any moneys in the bank accounts of a political committee described in this paragraph shall transfer to the newly organized multicandidate committee and may be used in the same manner as any other moneys contributed to the multicandidate committee.

(c) The Secretary of State shall by rule establish a process that provides a miscellaneous political committee that was reorganized under paragraph (b) of this subsection with a single opportunity to reorganize as a measure political committee. The process shall ensure that any moneys in the bank accounts of a political committee described in this paragraph shall transfer to the newly organized measure political committee and may be used in the same manner as any other moneys contributed to the measure political committee.

(4) As used in this section, “election cycle” and “public office” have the meanings given those terms in section 2 of this 2021 Act.

SECTION 13. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.