



Legislative Fiscal Office
82nd Oregon Legislative Assembly
2024 Regular Session

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Date: March 6, 2024

Bill Title: Relating to campaign finance.

Government Unit(s) Affected: Secretary of State, Cities, Counties, Department of Justice, District Attorneys, Judicial Department, Legislative Assembly, Special Districts Association of Oregon, Association of County Clerks, Information Technology

Summary of Fiscal Impact

- The fiscal impact of this measure is indeterminate pending additional analysis of the information technology needs for the Secretary of State's office, though initial cost estimates have been provided as a baseline for the possible fiscal impact - see explanatory analysis.
- There is an additional indeterminate impact for the Department of Justice in the 2025-27 biennium related to increased compliance actions.

Measure Description

The measure includes a variety of new and modified requirements related to campaign finance. The measure directs rulemaking requirements for the Secretary of State (SOS), as well as requiring certain finance limits to be adjusted annually based on the Consumer Price Index. The measure permits unexpended funds that remain in the accounts of a candidate political committee to be used to refund contributions, make contributions to other political committees, or transferred to the Campaign Finance Education Fund established under this measure. The Campaign Finance Education Fund is continuously appropriated to SOS to hire a full-time employee to provide voter education, support, and outreach regarding Oregon's campaign finance laws; and to provide technical assistance regarding contribution limits for candidates, campaigns, and the public.

SOS is directed to adopt an addition to the electronic filing system to be used by certain entities to report the original source of funds used to pay for candidate campaign independent expenditures. By January 1, 2028, SOS is also required to create a web-based campaign finance dashboard, as well as update software related to campaign filings to promote transparency and reporting. For elections after this date, the dashboard is to include the list of the 100 largest contributors to candidates or principal campaign committees, as well as visual representation of contributions by industry aggregated across all candidates and broken down by office type. The dashboard is also to show the original sources of funds of candidate campaign independent expenditures, and to annually display the average cost of campaigns by office and the largest three categories for spending, broken down by office type. SOS is to biannually conduct a review process of the reporting and filing of information required in order to comply with the disclosures and content required on the dashboard; and compliance by and the needs of stakeholders. The review findings are to be reported to the Legislative Assembly. SOS is also to update their campaign finance manual by May 1, 2025.

The measure also establishes investigation timelines once a complaint is received and creates civil penalties for certain actions that are to be paid to SOS.

Fiscal Analysis

The total fiscal impact of this measure is indeterminate at this time, pending final development of an implementation plan by the Secretary of State's office. Initial estimates are that costs could be up to \$4.1 million General Fund and 20 positions (8.13 FTE) in the 2023-25 biennium; and up to \$7.1 million General Fund and \$2.7 million Other Funds and 43 positions (22.75 FTE) in the 2025-27 biennium.

Secretary of State

Initial estimates are that costs could be up to \$4.4 million General Fund and 20 positions (8.13 FTE) in the 2023-25 biennium; and up to \$7.1 million General Fund and \$2.7 million Other Funds and 43 positions (22.75 FTE) in the 2025-27 biennium. Estimated costs do not include all expenditures related to replacement of the agency's ORESTAR system, which requires further analysis.

In the 2023-25 biennium, projected position needs include 20 full-time positions:

- Two Business Operations Manager 1 positions for program oversight; and reclassification of an existing Business Operations Manager 1 to Business Operations Manager 3.
- 13 Information Systems Specialist positions to begin work on the dashboard, electronic filing system, and other software updates (six of these are limited duration).
- Three Operations and Policy Analyst positions, including two business analysts, and a Contested Case and Rule Manager.
- One Administrative Support Specialist and one Human Resources Analyst 3.

In addition to the costs of these positions and position-related services and supplies, SOS estimates costs of \$409,241 for contract IT work, and preliminary estimated costs of \$300,000 for legal support, though this amount could vary based on legal proceedings initiated each biennium.

In the 2025-27 biennium, in addition to the 20 positions listed above, SOS proposes to hire an estimated additional 22 full-time positions:

- Twelve Compliance Specialist 2s to work in investigations and compliance.
- Five Operations and Policy Analyst 2s, to serve as trainers, coordinate rules, and analyze data.
- One Operations and Policy Analyst 3 to lead work on trainings.
- Three Compliance Specialist 3s to serve as contested case coordinators (one limited duration).
- One Program Analyst 3.

In addition to the costs of these positions and position-related services and supplies, other estimated costs include \$200,017 for contract IT work, and \$600,000 for legal support.

Other Funds will be used to pay for non-Elections program positions in the 2025-27 biennium, including the information technology positions and the human resources position. These positions are supported with a mix of 10% General Fund and 90% Other Funds sourced from other divisions within SOS.

If the measure is adopted, the Secretary of State's office will need to request funding from the Emergency Board for current costs this biennium. Next biennium costs for full implementation of this measure will be addressed during the 2025-27 biennium budget development process.

Department of Justice

There is an indeterminate fiscal impact for the Department of Justice in the 2023-25 biennium as well as for the 2025-27 biennium, as the number of election complaint investigations, both civil and criminal, are unknown, as well as the potential for circuit and appellate court litigation.

Other entities

There is no or minimal fiscal impact for the Legislative Assembly, Judicial Department, County Clerks, Counties, Special Districts, Cities, or District Attorneys.

Relevant Dates

The measure takes effect on the 91st day after sine die.

SOS is to propose revisions to the manual on campaign finance that is adopted by administrative rule and made publicly available on the secretary's website to ensure that it incorporates and describes the contents of this measure by May 1, 2025.

SOS is to propose rules to implement this measure by September 15, 2025.

SOS is to report to the interim committees of the Legislative Assembly responsible for campaign finance on implementation by January 1, 2026.

Section 17b, which requires an incumbent in public office to file for reelection at least seven days before other candidates, is operative on January 1, 2026.

Sections 2 to 5a and 6 to 10, which establish campaign contribution limits, are operative on January 1, 2027.

Sections 18 to 20, which relate to investigations and civil penalties, are operative on January 1, 2027.

SOS is to reorganize miscellaneous political committees as a multicandidate political committee if the miscellaneous political committee is still in operation on March 21, 2027.

Sections 13 and 14a, and section 15, which require an addition to the electronic filing system for reporting of fund sources for candidate campaign independent expenditures, creation of a web-based campaign finance dashboard, as well as updates to software related to campaign filings, are operative on January 1, 2028.

Requirements for what is to appear on the dashboard are in effect for elections held after January 1, 2028.