

## ANALYSIS

### Item 2: Secretary of State Campaign Finance Implementation

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**Analyst:** Paul Siebert

**Request:** Appropriate \$25,000,000 General Fund to the Secretary of State to implement the campaign financial compliance and monitoring requirements contained in HB 4024 (2024).

**Analysis:** HB 4024, which passed during the 2024 legislative session, makes significant changes to the regulation of campaign finances, which are overseen by the Secretary of State (SOS). Reforms that become operative on January 1, 2027, include restrictions on the organization of political committees, numerous contribution limits, timelines on completing election complaints and new civil penalties. HB 4024 also requires SOS to design, develop, and implement an internet-based campaign finance dashboard, with required features and publishing deadlines by January 1, 2028.

The current system for campaign finance reporting cannot support these new requirements, requiring a new IT solution to be acquired and deployed under a short timeline. Initially, the Secretary of State's office determined that this could be best accomplished by developing and supporting an in-house technology solution developed and deployed by SOS staff. However, this strategy did not account for the lengthy rulemaking required and the shortened time available to develop and implement an internal solution prior to the statutory deadlines.

SOS now believes the best implementation strategy is to identify vendors with experience in financial compliance IT solutions that can be rapidly deployed to meet the existing deadlines. Now that rulemaking is nearly completed, SOS plans to issue a Request for Proposals (RFP) to find products and vendors capable of meeting the current requirements of the law by mid-January 2026, with responses due by mid-February 2026.

Because no RFP has been issued, accurate costs estimates will be unknown until responses are received. In addition, any changes to the existing law considered during the 2026 session could have material impacts on project costs and timelines. Therefore, the Legislative Fiscal Office is recommending deferral of the request until solid cost estimates are available during the 2026 legislative session.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means defer action on the request to the 2026 legislative session.

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**Request:** Appropriate \$25,000,000 General Fund for House Bill 4024 (2024) implementation.

**Recommendation:** The Secretary of State is not under executive budgetary authority.

**Discussion:** The Secretary of State (SOS) is requesting \$25.0 million General Fund for implementing the election regulations set out in House Bill 4024 (2024). Included is the technology to monitor, aggregate, and display data of financial transactions on a rolling basis. The system must be able to track financial transactions from campaign donations through candidate expenditures, while identifying the original source of funds. Additionally, transactions must be linked to allow for the reporting and compliance of connected entities. Oregon's current campaign finance system lacks this capability, so a new one must be built and go live on January 1, 2027.

SOS is working to identify a large vendor pool adept in financial compliance. The technology required is a financial tracking and compliance tool that can monitor the payments to and from thousands of individuals and organizations. The financial compliance vendor market is more equipped than the campaign finance market to build a system with those capabilities. SOS launched a Request for Proposal to find a vendor and product capable of the compliance requirements and the complex transactions with numerous participants.

SOS is unable to provide a detailed cost estimate – the complexity and timelines of the project may drive high implementation costs. The Oregon Administrative Rule development process identified areas of uncertainty within the law that remain unresolved. Since the exact and full set of responsibilities SOS will need to address is uncertain, the cost is uncertain as well. The agency is requesting \$25,000,000 as an initial estimated amount, but not the final cost of implementation.

**Legal Reference:** Increase the General Fund appropriation made by chapter 610, section 1(2), Oregon Laws 2025, for the Secretary of State, Elections Division, by \$25,000,000 for the 2025-27 biennium.



December 8, 2025

The Honorable Senator Kate Lieber, Co-Chair  
The Honorable Representative Tawna Sanchez, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE, H-178  
Salem, OR 97301

Dear Senator Lieber and Representative Sanchez:

**Nature of the Request**

Secretary of State requests \$25 million General Fund to obtain and administer a financial compliance and transactional monitoring solution to comply with HB 4024 (2024). This system must be operational no later than January 1, 2027.

**Agency Action**

HB 4024 (2024) directed the Secretary of State to implement fundamental changes to Oregon campaign finance laws with an accompanying technology solution capable of monitoring, publishing, and aggregating data across upwards of a million financial transactions annually and on a rolling reporting basis. This new compliance and monitoring solution capable of meeting the novel requirements of the law cannot be met by our current, decades-old system, in which its support and retrofit capabilities are limited.

Over the last several months, the Secretary of State's Election Division worked with stakeholders to determine how to implement HB 4024 policy, including developing administrative rules that are currently in the public comment phase. This engagement identified numerous, fundamental questions about how the law should be implemented that remain unresolved. These outstanding variables will have a major impact on what kind of technology must be developed.

The Secretary of State's office initially pursued and asked the legislature for resources to develop and support an internal solution, but that strategy did not account for the length of the rule making process, the complexity of the technological needs, nor accurately anticipate the timeline to implementation post conclusion of rulemaking. The new campaign finance reporting & tracking system is required to go live on January 1, 2027.

The current best strategy for reducing the risk of failure is to identify a large and sophisticated vendor pool with experience in financial compliance. Distilled, the technology solution required by HB 4024 is a financial compliance tool that is required to monitor the flow of payments to and from thousands of individuals and organizations. Additionally, the vendor market for financial compliance is larger and has experience with the types of tools necessary to accurately track financial transactions than those available in the marketplace for campaign finance alone. Therefore, now that rulemaking has been substantively completed, we are launching a Request for Proposals (RFP) to find a product and vendor capable of performing rule-based monitoring and compliance of financial transactions across a variety of election cycles and participants. The

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novelty of the policy and the accompanying system has the potential to limit respondents as well as the timeline to implementation which will be the most significant driver of costs.

We are currently unable to provide a detailed cost estimate, nor do we have information to inform ongoing costs and staff support. However, given the risk of the project, if we are able to generate respondents to the RFP we anticipate high costs to achieve on-time delivery given the unique requirements of the policy.

**Action Requested**

The Secretary of State requests a \$25 million General Fund appropriation to the Elections Division to procure and implement a financial compliance and transactional monitoring solution. The funding will be used for a combination of services, equipment, and staff to implement the solution.

**Legislation Affected**

HB 4024 (2024)  
Oregon Law 2025, Chapter 610, Section 1(2) increase by \$25,000,000.

Sincerely,



Michael Kaplan  
Deputy Secretary of State