

D R A F T

SUMMARY

Digest: The Act permits certain campaign money to be used for security costs. (Flesch Readability Score: 60.7).

Provides that amounts received as contributions by a candidate, principal campaign committee of a candidate and principal campaign committee of a holder of public office may be used for specified security-related expenses.

Provides that a candidate or holder of public office may convert to personal use specified items obtained as security-related expenses after the candidate or holder of public office is no longer a candidate or holder of public office. Provides that the conversion to personal use of specified security-related expenses is not a gift for the purposes of government ethics laws.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to use of campaign contributions; amending ORS 244.020 and
3 260.407; and declaring an emergency.

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

5 **SECTION 1.** ORS 260.407 is amended to read:

6 260.407. (1)(a) Except as provided in paragraph (b) of this subsection,
7 amounts received as contributions by a candidate, the principal campaign
8 committee of a candidate or the principal campaign committee of a holder
9 of public office may be:

10 (A) Used to defray any expenses incurred in connection with the
11 recipient's duties as a holder of public office;

12 (B) Transferred to any national, state or local political committee of any
13 political party;

14 (C) Contributed to any organization described in section 170(c) of the

1 Internal Revenue Code or to any charitable corporation as defined in ORS
2 128.620; [or]

3 **(D) Used for purposes of reasonable security-related expenses, in-**
4 **cluding security and alarm systems and monitoring services for a**
5 **candidate, holder of public office or the family of a candidate or holder**
6 **of public office, when the security-related expenses arise from the**
7 **candidate or holder of public office being a candidate or holder of**
8 **public office; or**

9 [(D)] **(E)** Used for any other lawful purpose.

10 (b) Amounts received as contributions by a candidate, the principal cam-
11 paign committee of a candidate for public office or the principal campaign
12 committee of a holder of public office may not be:

13 **(A) Except as provided in this subparagraph,** converted by any person
14 to any personal use other than to defray any expenses incurred in connection
15 with the person's duties as a holder of public office or to repay to a candi-
16 date any loan the proceeds of which were used in connection with the
17 candidate's campaign[;]. **Security and alarm systems obtained for pur-**
18 **poses of reasonable security-related expenses under subsection**
19 **(1)(a)(D) of this section may be converted to personal use by the can-**
20 **didate or holder of public office after the candidate or holder of public**
21 **office is no longer a candidate or holder of public office.**

22 (B) Except as provided in this subparagraph, used to pay any money
23 award as defined in ORS 18.005 included as part of a judgment in a civil or
24 criminal action or any civil penalty imposed by an agency as defined in ORS
25 183.310 or by a local government as defined in ORS 174.116. Contributions
26 described in this paragraph may be used to pay a civil penalty imposed under
27 this chapter, a civil penalty imposed for campaign finance violations by a
28 provision of a county charter or ordinance, a civil penalty imposed for cam-
29 paign finance violations by a city charter or ordinance, or a civil penalty
30 imposed by any charter or ordinance provision adopted under the authority
31 of ORS 260.163, except that contributions described in this subsection may

1 not be used to pay a civil penalty imposed for a violation of this section or
2 ORS 260.409 or an equivalent provision of a county or city charter or
3 ordinance[;].

4 (C) Except as provided in this subparagraph, used to pay any legal ex-
5 penses incurred by the candidate or public official in any civil, criminal or
6 other legal proceeding or investigation that relates to or arises from the
7 course and scope of the duties of the person as a candidate or public official.
8 Contributions described in this paragraph may be used to pay legal expenses
9 incurred by the candidate or public official in connection with a legal pro-
10 ceeding brought under ORS chapters 246 to 260, a campaign finance provision
11 of a county charter or ordinance, a campaign finance provision of a city
12 charter or ordinance, or any charter or ordinance provision adopted under
13 the authority of ORS 260.163, except that contributions described in this
14 subsection may not be used to pay legal expenses incurred in connection with
15 a proceeding brought under this section or ORS 260.409 or an equivalent
16 provision of a county or city charter or ordinance[; *or*].

17 (D) Used to make payments in connection with a nondisclosure agreement
18 relating to workplace harassment. A nondisclosure agreement made in vio-
19 lation of this subparagraph is void and may not be enforced by a court of
20 this state.

21 (2)(a) Except as provided in paragraph (b) of this subsection, amounts
22 received as contributions by a political committee that is not a principal
23 campaign committee may be:

24 (A) Used to repay to the political committee any loan the proceeds of
25 which were used in connection with the campaign;

26 (B) Transferred to any national, state or local political committee of any
27 political party;

28 (C) Contributed to any organization described in section 170(c) of the
29 Internal Revenue Code or to any charitable corporation as defined in ORS
30 128.620; or

31 (D) Used for any other lawful purpose.

1 (b) Amounts received as contributions by the political committee may not
2 be:

3 (A) Converted by any person to any personal use[;].

4 (B) Except as provided in this subparagraph, used to pay any money
5 award as defined in ORS 18.005 included as part of a judgment in a civil or
6 criminal action or any civil penalty imposed by an agency as defined in ORS
7 183.310 or by a local government as defined in ORS 174.116. Contributions
8 described in this subsection may be used to pay a civil penalty imposed under
9 this chapter, a civil penalty imposed for campaign finance violations by a
10 provision of a county charter or ordinance, a civil penalty imposed for cam-
11 paign finance violations by a city charter or ordinance, or a civil penalty
12 imposed by any charter or ordinance provision adopted under the authority
13 of ORS 260.163, except that contributions described in this subsection may
14 not be used to pay a civil penalty imposed for a violation of this section or
15 ORS 260.409 or an equivalent provision of a county or city charter or
16 ordinance[;].

17 (C) Except as provided in this subparagraph, used to pay any legal ex-
18 penses incurred by a treasurer or director of a political committee in any
19 civil, criminal or other legal proceeding or investigation that relates to or
20 arises from the course and scope of the duties of the person as a treasurer
21 or director. Contributions described in this subsection may be used to pay
22 legal expenses incurred by a treasurer or director in connection with a legal
23 proceeding brought under ORS chapters 246 to 260, a campaign finance pro-
24 vision of a county charter or ordinance, a campaign finance provision of a
25 city charter or ordinance, or any charter or ordinance provision adopted
26 under the authority of ORS 260.163, except that contributions described in
27 this subsection may not be used to pay legal expenses incurred in connection
28 with a proceeding brought under this section or ORS 260.409 or an equivalent
29 provision of a county or city charter or ordinance[; or].

30 (D) Used to make payments in connection with a nondisclosure agreement
31 relating to workplace harassment. A nondisclosure agreement made in vio-

1 lation of this subparagraph is void and may not be enforced by a court of
2 this state.

3 (3)(a) Except as provided in paragraph (b) of this subsection, amounts
4 received as contributions by a chief petitioner or treasurer of a petition
5 committee may be:

6 (A) Used to repay to the chief petitioner any loan the proceeds of which
7 were used in connection with the initiative, referendum or recall petition;

8 (B) Transferred to any national, state or local political committee of any
9 political party;

10 (C) Contributed to any organization described in section 170(c) of the
11 Internal Revenue Code or to any charitable corporation as defined in ORS
12 128.620; or

13 (D) Used for any other lawful purpose.

14 (b) Amounts received as contributions by a chief petitioner or treasurer
15 of a petition committee may not be:

16 (A) Converted by any person to any personal use[;].

17 (B) Except as provided in this subparagraph, used to pay any money
18 award as defined in ORS 18.005 included as part of a judgment in a civil or
19 criminal action or any civil penalty imposed by an agency as defined in ORS
20 183.310 or by a local government as defined in ORS 174.116. Contributions
21 described in this subsection may be used to pay a civil penalty imposed under
22 this chapter, a civil penalty imposed for campaign finance violations by a
23 provision of a county charter or ordinance, a civil penalty imposed for cam-
24 paign finance violations by a city charter or ordinance, or a civil penalty
25 imposed by any charter or ordinance provision adopted under the authority
26 of ORS 260.163, except that contributions described in this subsection may
27 not be used to pay a civil penalty imposed for a violation of this section or
28 ORS 260.409 or an equivalent provision of a county or city charter or
29 ordinance[;].

30 (C) Except as provided in this subparagraph, used to pay any legal ex-
31 penses incurred by a chief petitioner or the treasurer of a petition committee

1 in any civil, criminal or other legal proceeding or investigation that relates
2 to or arises from the course and scope of the duties of the person as a chief
3 petitioner or treasurer. Contributions described in this subsection may be
4 used to pay legal expenses incurred by a chief petitioner or treasurer in
5 connection with a legal proceeding brought under ORS chapters 246 to 260,
6 a campaign finance provision of a county charter or ordinance, a campaign
7 finance provision of a city charter or ordinance, or any charter or ordinance
8 provision adopted under the authority of ORS 260.163, except that contribu-
9 tions described in this subsection may not be used to pay legal expenses in-
10 curred in connection with a proceeding brought under this section or ORS
11 260.409 or an equivalent provision of a county or city charter or
12 ordinance[; *or*].

13 (D) Used to make payments in connection with a nondisclosure agreement
14 relating to workplace harassment. A nondisclosure agreement made in vio-
15 lation of this subparagraph is void and may not be enforced by a court of
16 this state.

17 (4) As used in this section:

18 (a) “Contribution” and “expenditure” include a contribution or expendi-
19 ture to or on behalf of an initiative, referendum or recall petition.

20 (b) “Funds donated” means all funds, including but not limited to gifts,
21 loans, advances, credits or deposits of money that are donated for the pur-
22 pose of supporting the activities of a holder of public office. “Funds
23 donated” does not mean funds appropriated by the Legislative Assembly or
24 another similar public appropriating body or personal funds of the office
25 holder donated to an account containing only those personal funds.

26 (c) “Public office” does not include national or political party office.

27 (d) “Workplace harassment” means conduct that constitutes discrimi-
28 nation prohibited by ORS 659A.030, including conduct that constitutes sexual
29 assault as defined in ORS 181A.323.

30 **(5) As used in subsection (1)(a)(D) of this section, “family” includes**
31 **the spouse and any child, parent, grandparent, brother, half-brother,**

1 **sister, or half-sister of the candidate or holder of public office, and any**
2 **spouse of the child, parent, grandparent, brother, half-brother, sister**
3 **or half-sister. “Family” does not include any family member described**
4 **in this subsection of the spouse of the candidate or holder of public**
5 **office.**

6 **SECTION 2.** ORS 244.020 is amended to read:

7 244.020. As used in this chapter, unless the context requires otherwise:

8 (1) “Actual conflict of interest” means any action or any decision or rec-
9 ommendation by a person acting in a capacity as a public official, the effect
10 of which would be to the private pecuniary benefit or detriment of the person
11 or a relative or member of the household of the person, or any business with
12 which the person or a relative or member of the household of the person is
13 associated, unless the pecuniary benefit or detriment arises out of circum-
14 stances described in subsection (13) of this section.

15 (2) “Business” means any corporation, partnership, proprietorship, firm,
16 enterprise, franchise, association, organization, self-employed individual and
17 any other legal entity operated for economic gain but excluding any
18 income-producing not-for-profit corporation that is tax exempt under section
19 501(c) of the Internal Revenue Code with which a public official or a relative
20 or member of the household of the public official is associated only as a
21 member or board director or in a nonremunerative capacity.

22 (3) “Business with which the person is associated” means:

23 (a) Any private business or closely held corporation of which the person
24 or a relative or member of the household of the person is a director, officer,
25 owner or employee, or agent or any private business or closely held corpo-
26 ration in which the person or a relative or member of the household of the
27 person owns or has owned stock, another form of equity interest, stock
28 options or debt instruments worth \$1,000 or more at any point in the pre-
29 ceding calendar year;

30 (b) Any publicly held corporation in which the person or a relative or
31 member of the household of the person owns or has owned \$100,000 or more

1 in stock or another form of equity interest, stock options or debt instruments
2 at any point in the preceding calendar year;

3 (c) Any publicly held corporation of which the person or a relative or
4 member of the household of the person is a director or officer; or

5 (d) For public officials required to file a statement of economic interest
6 under ORS 244.050, any business listed as a source of income as required
7 under ORS 244.060 (3).

8 (4) "Candidate" means an individual for whom a declaration of candidacy,
9 nominating petition or certificate of nomination to public office has been
10 filed or whose name is printed on a ballot or is expected to be or has been
11 presented, with the individual's consent, for nomination or election to public
12 office.

13 (5) "Development commission" means any entity that has the authority
14 to purchase, develop, improve or lease land or the authority to operate or
15 direct the use of land. This authority must be more than ministerial.

16 (6) "First Partner" means the spouse or domestic partner of the Governor,
17 or an individual who primarily has a personal relationship with the Gover-
18 nor as determined by the Oregon Government Ethics Commission by rule.
19 "First Partner" encompasses any alternative title that the Governor may
20 publicly substitute for "First Partner," including, but not limited to, "First
21 Lady," "First Husband" or "First Spouse."

22 (7)(a) "Gift" means something of economic value given to a public official,
23 a candidate or a relative or member of the household of the public official
24 or candidate:

25 (A) Without valuable consideration of equivalent value, including the full
26 or partial forgiveness of indebtedness, which is not extended to others who
27 are not public officials or candidates or the relatives or members of the
28 household of public officials or candidates on the same terms and conditions;
29 or

30 (B) For valuable consideration less than that required from others who
31 are not public officials or candidates.

1 (b) "Gift" does not mean:

2 (A) Contributions as defined in ORS 260.005.

3 (B) Gifts from relatives or members of the household of the public official
4 or candidate.

5 (C) An unsolicited token or award of appreciation in the form of a plaque,
6 trophy, desk item, wall memento or similar item, with a resale value rea-
7 sonably expected to be less than \$25.

8 (D) Informational or program material, publications or subscriptions re-
9 lated to the recipient's performance of official duties.

10 (E) Admission provided to or the cost of food or beverage consumed by
11 a public official, a relative of the public official accompanying the public
12 official, a member of the household of the public official accompanying the
13 public official or a staff member of the public official accompanying the
14 public official, at a reception, meal or meeting held by an organization when
15 the public official represents state government as defined in ORS 174.111, a
16 local government as defined in ORS 174.116 or a special government body as
17 defined in ORS 174.117.

18 (F) Reasonable expenses paid by any unit of the federal government, a
19 state or local government, a Native American tribe that is recognized by
20 federal law or formally acknowledged by a state, a membership organization
21 to which a public body as defined in ORS 174.109 pays membership dues or
22 a not-for-profit corporation that is tax exempt under section 501(c)(3) of the
23 Internal Revenue Code, for attendance at a convention, fact-finding mission
24 or trip, conference or other meeting if the public official is scheduled to de-
25 liver a speech, make a presentation, participate on a panel or represent state
26 government as defined in ORS 174.111, a local government as defined in ORS
27 174.116 or a special government body as defined in ORS 174.117.

28 (G) Contributions made to a legal expense trust fund established under
29 ORS 244.209 for the benefit of the public official.

30 (H) Reasonable food, travel or lodging expenses provided to a public of-
31 ficial, a relative of the public official accompanying the public official, a

1 member of the household of the public official accompanying the public of-
2 ficial or a staff member of the public official accompanying the public offi-
3 cial, when the public official is representing state government as defined in
4 ORS 174.111, a local government as defined in ORS 174.116 or a special gov-
5 ernment body as defined in ORS 174.117:

6 (i) On an officially sanctioned trade-promotion or fact-finding mission; or

7 (ii) In officially designated negotiations, or economic development activ-
8 ities, where receipt of the expenses is approved in advance.

9 (I) Food or beverage consumed by a public official acting in an official
10 capacity:

11 (i) In association with the review, approval, execution of documents or
12 closing of a borrowing, investment or other financial transaction, including
13 any business agreement between state government as defined in ORS 174.111,
14 a local government as defined in ORS 174.116 or a special government body
15 as defined in ORS 174.117 and a private entity or public body as defined in
16 ORS 174.109;

17 (ii) While engaged in due diligence research or presentations by the office
18 of the State Treasurer related to an existing or proposed investment or bor-
19 rowing; or

20 (iii) While engaged in a meeting of an advisory, governance or policy-
21 making body of a corporation, partnership or other entity in which the office
22 of the State Treasurer has invested moneys.

23 (J) Waiver or discount of registration expenses or materials provided to
24 a public official or candidate at a continuing education event that the public
25 official or candidate may attend to satisfy a professional licensing require-
26 ment.

27 (K) Expenses provided by one public official to another public official for
28 travel inside this state to or from an event that bears a relationship to the
29 receiving public official's office and at which the official participates in an
30 official capacity.

31 (L) Food or beverage consumed by a public official or candidate at a re-

1 ception where the food or beverage is provided as an incidental part of the
2 reception and no cost is placed on the food or beverage.

3 (M) Entertainment provided to a public official or candidate or a relative
4 or member of the household of the public official or candidate that is inci-
5 dental to the main purpose of another event.

6 (N) Entertainment provided to a public official or a relative or member
7 of the household of the public official where the public official is acting in
8 an official capacity while representing state government as defined in ORS
9 174.111, a local government as defined in ORS 174.116 or a special govern-
10 ment body as defined in ORS 174.117 for a ceremonial purpose.

11 (O) Anything of economic value offered to or solicited or received by a
12 public official or candidate, or a relative or member of the household of the
13 public official or candidate:

14 (i) As part of the usual and customary practice of the person's private
15 business, or the person's employment or position as a volunteer with a pri-
16 vate business, corporation, partnership, proprietorship, firm, enterprise,
17 franchise, association, organization, not-for-profit corporation or other legal
18 entity operated for economic value; and

19 (ii) That bears no relationship to the public official's or candidate's
20 holding of, or candidacy for, the official position or public office.

21 (P) Reasonable expenses paid to a public school employee for accompa-
22 nying students on an educational trip.

23 **(Q) Security and alarm systems obtained for purposes of reasonable**
24 **security-related expenses under ORS 260.407 (1)(a)(D) that are con-**
25 **verted to personal use in accordance with ORS 260.407 (1)(b)(A).**

26 (8) "Honorarium" means a payment or something of economic value given
27 to a public official in exchange for services upon which custom or propriety
28 prevents the setting of a price. Services include, but are not limited to,
29 speeches or other services rendered in connection with an event.

30 (9) "Income" means income of any nature derived from any source, in-
31 cluding, but not limited to, any salary, wage, advance, payment, dividend,

1 interest, rent, honorarium, return of capital, forgiveness of indebtedness, or
2 anything of economic value.

3 (10) “Legislative or administrative interest” means an economic interest,
4 distinct from that of the general public, in:

5 (a) Any matter subject to the decision or vote of the public official acting
6 in the public official’s capacity as a public official; or

7 (b) Any matter that would be subject to the decision or vote of the can-
8 didate who, if elected, would be acting in the capacity of a public official.

9 (11) “Member of the household” means any person who resides with the
10 public official or candidate.

11 (12) “Planning commission” means a county planning commission created
12 under ORS chapter 215 or a city planning commission created under ORS
13 chapter 227.

14 (13) “Potential conflict of interest” means any action or any decision or
15 recommendation by a person acting in a capacity as a public official, the
16 effect of which could be to the private pecuniary benefit or detriment of the
17 person or a relative or member of the household of the person, or a business
18 with which the person or the relative or member of the household of the
19 person is associated, unless the pecuniary benefit or detriment arises out of
20 the following:

21 (a) An interest or membership in a particular business, industry, occupa-
22 tion or other class required by law as a prerequisite to the holding by the
23 person of the office or position.

24 (b) Any action in the person’s official capacity which would affect to the
25 same degree a class consisting of all inhabitants of the state, or a smaller
26 class consisting of an industry, occupation or other group including one of
27 which or in which the person or a relative or member of the household of
28 the person, or a business with which the person or the relative or member
29 of the household of the person is associated, is a member or is engaged.

30 (c) Membership in or membership on the board of directors of a nonprofit
31 corporation that is tax-exempt under section 501(c) of the Internal Revenue

1 Code.

2 (14) "Public office" has the meaning given that term in ORS 260.005.

3 (15) "Public official" means the First Partner and any person who, when
4 an alleged violation of this chapter occurs, is serving the State of Oregon
5 or any of its political subdivisions or any other public body as defined in
6 ORS 174.109 as an elected official, appointed official, employee or agent, ir-
7 respective of whether the person is compensated for the services.

8 (16) "Relative" means:

9 (a) The spouse, parent, stepparent, child, sibling, stepsibling, son-in-law
10 or daughter-in-law of the public official or candidate;

11 (b) The parent, stepparent, child, sibling, stepsibling, son-in-law or
12 daughter-in-law of the spouse of the public official or candidate;

13 (c) Any individual for whom the public official or candidate has a legal
14 support obligation;

15 (d) Any individual for whom the public official provides benefits arising
16 from the public official's public employment or from whom the public official
17 receives benefits arising from that individual's employment; or

18 (e) Any individual from whom the candidate receives benefits arising from
19 that individual's employment.

20 (17) "Statement of economic interest" means a statement as described by
21 ORS 244.060 or 244.070.

22 (18) "Zoning commission" means an entity to which is delegated at least
23 some of the discretionary authority of a planning commission or governing
24 body relating to zoning and land use matters.

25 **SECTION 3. This 2026 Act being necessary for the immediate pres-**
26 **ervation of the public peace, health and safety, an emergency is de-**
27 **clared to exist, and this 2026 Act takes effect on its passage.**

28