TESTIMONY ON SB 1502

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Rules Committee of Oregon Senate

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It appears that SB 1502 was first filed today.

SB 1502 would direct the Secretary of State to "presession file a proposed legislative measure for consideration during he 2027 regular session of the Legislative Assembly" that would "set forth the recommendations of the secretary for changes to the system of campaign finance limitations being implemented in this state and to reporting requirements related to these limitations."

SB 1502 would not correct the severe damage to campaign finance reform that will occur, if HB 4018 B is enacted in this session.

Attached are a 2-page summary of the major problems with HB 4018 A (now HB 4018 B), accompanied by 6-page table of details.

Also attached is a 9-page response to a 7-page document entitled "Campaign Finance Reform Technical Fix Bill (HB 4018A)," which lists on all but the first page the contact information for the lobbyists for Oregon Business & Industry and Our Oregon and for the Deputy Chief of Staff to the Secretary of State, who appears to be the authors of the document. I have also attached that document.

I also attach a new letter, dated March 4, 2026, from the Campaign Legal Center (CLC), the nation's leading experts on campaign finance regulation. They highlight just two of the defects in HB 4018 B we have identified:

> First, Section 13 of the bill would substantially undermine the law's anti-proliferation provisions. Specifically, by requiring related entities to share a contribution limit only if one of the entities was created "for the sole purpose of evading the [bill's]

contribution limits," the bill would make it exceptionally difficult to enforce the anti-proliferation provisions. In other words, wealthy special interests could easily exploit this loophole by creating many entities--with relatively trivial secondary purposes--to multiply their contributions, rendering contribution limits illusory. I am not aware of any other jurisdiction that uses this "sole purpose" standard.

Second, Section 10 of the bill would, at best, raise serious questions as to whether coordinated expenditures are considered a contribution to a candidate, potentially creating a glaring loophole in all of the contribution limits by deleting the provision of Oregon law that explicitly provides that a coordinated expenditure is a contribution. While I understand the Secretary of State has stated on the record that the Secretary would interpret other provisions of the law to cover coordinated expenditures as a contribution, there is no reason to eliminate explicit coverage in favor of implicit coverage of coordinated expenditures, particularly when a future Secretary may not take the same position. A campaign finance system that fails to cover coordinated expenditures as a form of contributions functionally has no contribution limits, because coordinating expenditures with a candidate is no different from writing that candidate a check. I am not aware of any other jurisdiction that has deleted a provision explicitly including coordinated expenditures as contributions in favor of implicit coverage elsewhere in the law.

VOTE NO ON HB 4018A:
THE GUTTING OF CAMPAIGN FINANCE REFORM

House Rules Committee advanced HB 4018A (same as HB 4018 -8) – which would eviscerate state campaign finance reforms before they go into effect next year. The 95-page gut-and-stuff amendment to a study bill was revealed hours before its only public hearing. All good government groups have been completely excluded from all discussions about this bill.

In 2024, the Oregon Legislature passed the HB 4024 compromise campaign finance reform bill, in exchange for the Honest Elections Oregon coalition agreeing not to submit their stricter ballot measure, for which they had already gathered more than 100,000 voter signatures.

HB 4018A dismantles key aspects of campaign finance law and delays others. This bill is being described as minor technical fixes by some of the largest political spenders in Oregon politics, but in reality the changes are deep, substantive, and destructive, **as confirmed by all involved good government groups in Oregon and nationwide.**

The **League of Women Voters of Oregon** said it's **"a complete betrayal of the deal made in 2024." Common Cause Oregon** says the Legislature is acting **"in bad faith"** and **"creating loopholes for big money, reducing transparency, and undermining enforcement."**

The **Campaign Legal Center**, the nation's leading experts on campaign finance regulation, stated that **HB 4018 contains "nonsensical" provisions; "would weaken laws intended to prevent corruption** and provide voters with information about who is spending big money to influence their vote"; and would create "a glaring loophole in all of the contribution limits."

Here are some examples of some of the huge policy changes in the bill (details in table):

1. **Allows big spenders to evade the limits by creating multiple entities, with each allowed to make contributions, as long as evading the contribution limits is not "the sole purpose" of the entity.** This effectively eliminates the contribution limits for big spenders.

2. **Creates two new categories of totally unregulated campaign spending, neither of which are subject to contribution limits or required reporting in ORESTAR:**

   - Removes “coordinated expenditures" from the definition of “contribution,” which eliminates all limits on coordinated expenditures supporting candidates.

   - Deems some coordinated in-kinds as not coordinated, and therefore not a “contribution,” as the Campaign Legal Center confirms.

3. **Removes all penalties for contributors giving unlawfully large contributions during years 2027-2030, no matter how large the violations.**

4. **Repeals the requirement that entities making over $50,000 in independent expenditures per year disclose the real sources of their funds, if they spend less than $50,000 per candidate per year.**

5. **Increases the special limits on in-kind contributions from an aggregate limit per candidate per year to a limit per contributor per candidate per year.** So if a candidate has 100 contributors, the in-kind contribution limit becomes 100 times higher than the current $2,500 per year in food and beverages and $2,500 per year in transportation services.

6. **Newly allows massive in-kind contributions by membership organizations to any candidate for any local government office, including over 2,000 hours of staff time per year to each candidate from each organization.**

7. **Doubles the limits on contributions into multicandidate committees by changing the denominator from “per election cycle” (2 years) to “per year.”**

8. **Cuts in half the allowable contributions to minor party candidates.** HB 4018A deletes the provision allowing minor party candidates to receive contributions during the primary election, which cuts in half their allowable contributions and allows major party candidates to receive double the contributions for the same offices.

9. **Allows political parties to transfer unlimited amounts from their federal PACs to their state political party committees, regardless of Oregon limits on contributions into those committees.**

10. **Changes transparency requirements so that independent spenders that are not political committees permissibly “may” disclose the true source of their funds.**

The Legislature should reject HB 4018A and halt efforts to destroy the contribution limits and disclosure requirements established in the 2024 compromise bill, HB 4024.

Change	Location in HB 4018A	Negative Impact
Guts non-proliferation provisions that prevent the contribution limits from being evaded through creation of new "persons" (such as corporations), each with authority to contribute up to the limits.	*P. 28, lines 12-15* Adds: (b) For purposes of the consideration under paragraph (a) of this subsection, the presence of either or both factors described in paragraph (a)(A) and (B) of this subsection <u>is not sufficient unless the person was established for the **sole purpose** of evading the contribution limits</u> set forth in ORS 260.014.	The law passed in 2024 prevented entities from evading contribution limits by creating multiple, redundant political committees, each of which could donate to the limit. HB 4018A amends that to only prohibit contributions from entities formed for the **<u>sole purpose</u>** of evading contribution limits. Its Section 13(2)(b) allows unlimited proliferation of entities, unless it "was established for the **sole purpose** of evading the contribution limits set forth in ORS 260.014." So anyone can create a new entity with the dual purpose of evading the contribution limits and providing work for a brother-in-law, as the Campaign Legal Center has illustrated. That new entity could then make contributions up to the limits. This makes the non-proliferation prohibition non-functional.
Prohibits the SoS from initiating enforcement of the anti-proliferation provisions.	*P. 28, lines 16-19*	HB 4018A forbids the Secretary of State from trying to enforce the anti-proliferation provisions, unless someone files a complaint. Thus, the Secretary will be precluded from using information available only to the Secretary to enforce those critical requirements. HB 4018A also completely rewrites the anti-proliferation provisions.

Change	Location in HB 4018A	Negative Impact
Permits unlimited "coordinated expenditures" and exempts them from the contribution limits and disclosure requirements.	*P. 18, lines 17-21* Removes from the definition of contribution: (c) An expenditure by a person for a communication in support of or in opposition to a clearly identified candidate or measure that is made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate, or any political committee or agent of a political committee supporting or opposing a measure.	HB 4018A deletes coordinated expenditures from the definition of contribution. Because contribution limits and the requirement to report contributions to ORESTAR apply to contributions, their removal from the definition exempts coordinated expenditures from contribution limits and the requirement to report them to ORESTAR. It creates a type of completely unregulated campaign money. The Campaign Legal Center (CLC) states that this would create a huge loophole to allow big spenders to **run unlimited ads for candidates** and not have them count as "independent expenditures" or "contributions" or be subject to any contribution limits or disclosure requirements. CLC states, "With this section stricken, the remaining language could be interpreted to allow unlimited coordinated spending — essentially wiping out the effect of the contribution limits." The notion that "coordinated expenditures" would somehow continue to be considered "contributions" after being expressly deleted from that definition would be laughed out of court. Legislative intent is overwhelmingly determined by legislative language. Further, the rest of the definition of "contribution" does not cover "coordinated expenditures," which are funds spent by non-candidates directly in support of candidates, such as someone paying for ads touting the candidate. The candidate and her committee never touch the money.

Change	Location in HB 4018A	Negative Impact
Deems some coordinated in-kind contributions uncoordinated, thus exempting them from the contribution limits and disclosure requirements.	*P. 8, lines 13-16* Adds: (16)(a) An in-kind contribution to, or coordinated expenditures with, a candidate, other than independent expenditures made by that person to support or oppose a candidate, may not be deemed to be coordinated so long as that person complies with the requirements of this subsection. …	Creates a category of non-coordinated coordinated in-kind contributions. Because the act of coordinating is what makes an in-kind into a contribution, deeming them uncoordinated exempts these in-kinds from both contribution limits and the requirement to report them to ORESTAR. This creates another kind of unregulated money.
Removes Secretary of State's power to penalize contributors for all violations of contribution limits during 2027-2030.	*P. 5, lines 20-23* Deletes: (10) A donor may not make a contribution, or an aggregate of contributions during an applicable limitation period, to a recipient that exceeds the amount a recipient could accept under the limitations of subsections (2) to (9) of this section. … [This is restored starting in 2031 on page 50, lines 26-28, in the form of the operational date of Section 2a.]	Removes all penalties for contributors giving unlawfully large contributions during the 4 years 2027 - 2030, no matter how large or blatant the violations.

Change	Location in HB 4018A	Negative Impact
Removes original source disclosure requirements, unless the independent spender has spent over $50,000 for a single candidate.	*P. 29, lines 1-5* Deletes: (3) Once an entity subject to this section has spent an aggregate of $50,000 on candidate campaign independent expenditures in an election cycle, the entity must disclose the name of each person that has contributed $5,000 or more during the election cycle and the original source of funds used for the contribution. In identifying persons that have made aggregate donations of $5,000 or more per election cycle, the entity may exclude: … *P. 31, lines 27-29* Replaces with: (11) For purposes of this section, 'covered person' means any person that has made independent expenditures in an aggregated amount of not less than $50,000 in an election cycle for any statewide or local election.	Changes the $50,000 threshold for independent spenders that must disclose the real sources of their funds. It was those that spent $50,000 in aggregate across all spending that election cycle. HB 4018A changes it to those that spent $50,000 in an election cycle for any statewide or local election (that is, any one race for any one office). This means any person or entity can spend unlimited amounts--millions of dollars--and not disclose the real sources, as long as it spends less than $50,000 per candidate per year.
For the special higher limits on in-kind contributions, replaces the aggregate per year limit for each candidate with a per contributor per year limit for each candidate, massively increasing the functional contribution limits.	*P. 13, lines 20-45* Deletes (2)(a) The following in-kind contributions, as determined over a 12-month period, …. AND *P. 7, lines 20-23:* Replaces with:... may receive in-kind contributions not to exceed the amounts described in this paragraph **from any person or entity** …	The law passed in 2024 has a $2,500 limit for in-kind food/beverage and for in-kind transportation costs in aggregate per campaign per year. HB 4018A replaces this with a $2,500 per contributor per year limit. If a campaign had 100 contributors, this would increase the contribution limit by 100 times.

Change	Location in HB 4018A	Negative Impact
Newly allows massive in-kind contributions by membership organizations to local candidates.	*P. 5, lines 31-36* Deleted: (12)(a) A membership organization may make in-kind contributions of up to 12 months per year of full-time staff equivalence for a campaign <u>for the office of state Representative or state Senator</u> and may make in-kind contributions of up to 36 months per year of full-time staff equivalence for a campaign <u>for statewide elected office</u>, … AND *P. 6, lines 34-45* Replaced with: (11)(a)(A) In addition to the contribution limits described in subsections (2) and (3) of this section, <u>a candidate or the principal campaign committee of a candidate may receive</u> in-kind contributions of staff time from a membership organization or a membership organization political committee in the following amounts: … (iii) <u>To a candidate or the principal campaign committee of a candidate for a public office that is not a national or state office</u>, not to exceed 2,080 staff hours per calendar year.	The law passed in 2024 permits in-kind staff hours to state level candidates but not to local candidates. HB 4018A deletes the restriction of these in-kinds to state level candidates, therefore it permits these massive in-kind contributions to local candidates running in much less costly elections. Limits should be right-sized to the cost of winning. HB 4018A allows over 2,000 hours of staff time given in kind per year to each candidate <u>per contributor</u>. This would dwarf other local fundraising.
Doubles contribution limits on contributions into all multicandidate committees.	*P. 4, lines 6-7*	Doubles contribution limits on contributions into multicandidate committees by any person by changing the denominator from “per election cycle” (2 years) to “per year” without changing the amount.

Change	Location in HB 4018A	Negative Impact
Cuts in half allowable contributions to minor party candidates.	*P. 6, lines 27-28*	The HB 4024 (2024) limits on contributions to candidates are "per election," with the primary and general elections considered separate. Oregon law does not allow minor party candidates to run in primary elections. So HB 4024 (2024) deems candidates seeking minor party nominations as participating in the primary election for purposes of the contribution limits. HB 4018A deletes that provision, which cuts in half the allowable contributions to minor party candidates and allows major party candidates double the contributions for the same offices.
Exempts any independent spender that is not a political committee from being required to disclose their large contributors.	*P. 30, lines 28-30, 40-43* adds an entirely new subsections that appear to change mandatory reporting to voluntary: "(b) A covered person that is not a political committee <u>may disclose</u> the identity of any person that donated or contributed to the covered person in the two years preceding the date on which the covered person made the independent expenditure." "(b) A person that must make the disclosure described under paragraph (a) of this subjection <u>may disclose</u> the name of any original source of funds . . ."	The law passed in 2024 required independent spenders to disclose their top contributors, so voters could know the real source of the funds. HB 4018A removes that requirement from all independent spenders except political committees. It replaces it with the option to voluntarily disclose or not.

Campaign Finance Reform Destruction Bill (HB 4018 A)

The table below refutes the statements made by the business and labor lobbyists, joined by the Deputy Chief of Staff of the Secretary of State.

Tthe proposed changes to HB 4024 (2024) have not been in any way discussed with the Good Government Groups, including League of Women Voters, Common Cause, Consolidated Oregon Indivisible Network (COIN), and Honest Elections Oregon or its coalition members.

The first two columns below are verbatim from a table distributed by the lobbyists, in the order they presented. The third column contains the facts from the Good Government Groups.

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Create and define "independent expenditure committee"	This was inadvertently left out of the 2024 bill. Independent Expenditure committees are crucial for constitutional compliance and the ability for individuals and organizations to engage in political speech under our new system.	Not discussed in 2024 or later but not objectionable.
Limit disclosure of personally identifying information	The Secretary of State may need to collect new information from donors in order to ensure compliance with new limits. We should clarify that personally identifying information such as email address and date of birth are not subject to public disclosure laws, in order to protect privacy and free speech.	Not discussed in 2024 but good government groups made similar suggestion.
Clarifying verbiage in transparency and disclosure sections	The Secretary of State Elections Division has flagged countless discrepancies and difficulties while trying to build out a new reporting system that complies with the statute. The changes to this section of the policy do not change the original intent, they only make the new requirements easier to understand and comply with for regulators and practitioners.	Lobbyists fail to identify their changes to HB 4024 (2024). The Good Government Groups have repeatedly identified specific problems and suggested fixes.
Restore current transparency statutes until new ones are implemented	HB 4024 (2024) accidentally lapsed some of our current transparency statutes, leaving a gap between now and when full campaign finance reform is implemented.	Not objectionable to restore the requirements previously in ORS 260.275 - 260.285.
Clarify in HB 4024 Section 15(6)(c) that we don't need to read aloud the entire disclaimer link URL in TV/Radio ads.	Align with original intent; remove unrealistic requirements.	No such "original intent" in 2024. HB 4024 (2024) Section 15(6)(c) does not apply to TV ads. As for radio ads, all it requires to be read aloud is the webpage link, such as "bit.ly/votejim."

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Clarify that in-kind limits apply to local offices as well, in cases where there are not local laws governing contribution limits.	HB 4024 (2024) did not address in-kind contributions from membership organizations to local candidates. That left a gap and lack of clarity for how membership organizations can legally participate in local elections, such as school boards and city councils.	The HB 4024 (2024) special allowances for in-kind contributions to candidates by membership organization expressly apply only to state offices, not to local offices. There is no lack of clarity. HB 4018 A authorizes huge in-kind contributions by membership organizations to local candidates, including over 2,000 hours of staff time per year to any number of candidates. These special limits for membership organizations for state offices were a huge concession from the Good Government Groups in the 2024 compromise. There are no other states with this kind of allowance. The in-kind allowances are the single largest limits in the negotiated compromise, and extending them to the many thousands of local offices is not a "technical fix".
Clarify in-kind contribution limits for field work	Membership organizations can in-kind the equivalent of 1 FTE of field support to legislative candidates and 3 FTE for statewide candidates. This change clarifies that in-kind support includes administrative support for field work, such as writing scripts, not only canvassing and phone banking; and that in-kinds are not in aggregate, as was intended with HB 4024.	The HB 4024 (2024) special allowances for in-kind contributions to state candidates (other than for the Legislature) by membership organization are limited to "a campaign for statewide elected office," not to every campaign for statewide office, as HB 4018 A would allow. HB 4018 A completely rewrites the provisions on in-kind contributions by membership organizations.
Clarify Secretary of State's role in enforcement	HB 4024 (2024) never intended to change Oregon's current strong complaint-driven enforcement system to a proactive enforcement system. Without this change, the original HB 4024 statute has ambiguity that could increase administrative and enforcement burden for the Secretary of State's office, far beyond what is expected or reasonable.	The lobbyists fail even to describe the massive changes that HB 4018 A makes to the enforcement system. One change is to forbid the Secretary of State from trying to enforce the anti-proliferation provisions, unless someone files a complaint. Thus, t**he Secretary will be precluded from using information available only to the Secretary** to enforce those critical requirements. Somehow members of the public will have to obtain that information. Note that HB 4018 A completely rewrites the anti-proliferation provisions.
Fix drafting error from Multicandidate to Multicandidate giving	Change from "election cycle" to "year" as it was intended that all Multicandidate limits were "year."	There is no evidence that the parties in 2024 intended the denominator to be anything other than the 2-year "per election cycle," which was contained in a series of filed amendments to HB 4024. Changing the denominator to "per year" doubles the limit. For consistency, Good Government Groups are fine with switching to "per year" but without increasing the HB 4024 limit. That means $5,000 per election cycle would be changed to $2,500 per year. We havee made this suggestion both to House Leadership and the Secretary's Office since June 2024..

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Clarify anti-proliferation language	HB 4024 (2024) intended to prohibit persons from establishing new entities (organizations, committees, companies, etc.) for the sole purpose of evading contribution limits. However, both the language and enforcement responsibilities of this section were poorly defined and have led to considerable confusion for stakeholders and regulators trying to implement. Failure to clarify this language will leave the Secretary of State responsible for a significant new administrative burden and require unnecessary disclosures from covered persons. Persons will still be prohibited from establishing new entities for the purposes of evading contribution limits. HB 4018 maintains that an individual can only control one of each type of committee, further prohibiting proliferation.	The HB 4024 language is not confusing. It prevents persons and entities from evading contribution limits by creating multiple new entities (corporations, LLCs, etc.), each of which could donate to the limit. HB 4018 A massively changes the anti-proliferation language to render the provisions meaningless. In particular, HB 4018 A allows any person or entity to create an unlimited number of new entities, each entitled to make contributions up to the limits, as long as the creator can think of one reason for the creation, other than evading the contribution limits. Its Section 13(2)(b) allows unlimited proliferation of entities, unless it "was established for the **sole purpose** of evading the contribution limits set forth in ORS 260.014." So anyone can create a new entity with the dual purpose of evading the contribution limits and providing work for a brother-in-law, as the Campaign Legal Center has illustrated. The provisions around anti-proliferation are of the utmost importance to the Good Government Groups and why we spent so much time and effort getting the wording right in the 2024 compromise HB 4024. In other states, proliferation of entities tends to be the largest loophole for circumvention of contribution limits.
Align with federal standards around defining "coordination." Clarify rules around what qualifies as "coordination" for the purpose of defining independent expenditures	Without this change, no one who *ever* works for a candidate could *ever* work for an independent expenditure, within the same *or future* election cycles. It also leaves the possibility that independent expenditure strategy that's based on public information (like public polling or media reports) could be subject to complaints of coordination, when that was not the original intent (nor the federal standard.)	HB 4018 A allows anyone who works for a candidate to then work on independent expenditures to support that candidate 4 months later. Far more important is that **HB 4018 A deletes "coordinated expenditure" from the definition of "contribution."** Because the contribution limits and the requirement to report contributions to ORESTAR apply to "contributions," removal from that definition exempts coordinated expenditures from contribution limits and the requirement to report them to ORESTAR. This change **creates a type of completely unregulated campaign money.** The Campaign Legal Center states that this would create a huge loophole to allow big spenders to run unlimited ads for candidates and not have them count as "independent expenditures" or "contributions" or be subject to any contribution limits or disclosure requirements. CLC states, "With this section stricken, the remaining language could be interpreted to allow unlimited coordinated spending essentially wiping out the effect of the contribution limits."
Allowing for small donor committee to be established as a separate segregated fund, as federally defined	Eases compliance for administering small donor committees, which cannot accept more than $250 from each individual each year. Without a separate segregated fund, private sector employers will have to dramatically re-structure their payroll systems in order to make sure that the union dues that they are contractually obligated to collect and send to the union are able to go into the small donor committees.	Not discussed in 2024 or later but not objectionable.
Disambiguation of terms throughout	The Secretary of State has requested the disambiguation of the terms ""donor" and "donation" from "contributor" and "contribution;" and of terms "Membership Organization" from "Membership Organization PAC" to clarify they are separate.	Good government groups have advocated this.

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Clarify that the Campaign Finance Education Fund is separate from the General Fund	Without this change the Secretary of State's office cannot implement the Campaign Finance Education Fund as mandated.	Not objectionable.
Make changes to the penalty matrix (identified by SOS, see Appendix 1.)	The current penalty matrix inadvertently penalized self-reporting and self-correction of inadvertent reporting errors. The new matrix will incentivize self-correction, which will cut down on the enforcement requirements at the Elections Division.	This change is not in HB 4018 A. It is part of the Secretary of State's rulemaking.
Clarify requirements for committees (as requested by SOS)	Restore the requirement that committees list the "nature of committee;" Remove the requirement that committees list the candidates or measures that they oppose or support, as this will be listed with each transaction, providing more transparency. Clarify that only individuals (not companies or organizations) can be committee directors. This will reduce redundancy.	Not objectionable.
Implement contribution limits in 2027 as planned; extend implementation timeline for certain new requirements that need intensive database programing to 2031	HB 4024 (2024) is a massive policy shift that includes huge infrastructure and technology updates on a very short timeline. The Elections Division does not have the in-house expertise to develop new data, reporting and compliance software required by the statute. The SOS's office has estimated a minimum of $25M to find a vendor who can provide the new dashboard and reporting needs on this timeline; the true cost may be higher. The most crucial component of the policy -- campaign contribution limits – will go into effect in 2027 as planned. This bill will extend the implementation timeline for certain new reporting requirements to 2031, giving SOS the time and tools to implement successfully. Without an extension, Oregonians will see a chaotic implementation, uneven playing fields, and unfair elections. With this change, campaigns and independent expenditures will still report spending and contributions on ORESTAR and Oregon will continue to have one of the most transparent systems in the country.	First, HB 4018 A does not allow "the contribution limits" to take effect in 2027. Instead, it gouges such huge loopholes in the limits that they are meaningless, no matter when they take effect. Second, 45 states implement contribution limits and disclosure requirements without taking nearly a decade to obtain software for doing so. HB 4024 (2024) already allowed the Secretary of State 2.8 years to implement the contribution limits and 3.8 years to implement the disclosure requirements. HB 4018 A extends enforcement of the disclosure requirements an additional 3 years, to a total of 6.8 years of delay. Oregon voters enacted comprehensive contribution limits in November 1994 as Measure 9 (which passed with 72% "yes" vote). It went into effect 30 days later, on December 8, 1994. It was implemented and enforced by the Secretary of State, Phil Keisling. Those seeking large delays say that HB 4024 has complicated anti-proliferation provisions. Measure 9 of 1994 had virtually identical such provisions. Yet, enforcement began 30 days after enactment by the voters.

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Opponents claim that HB 4018 eliminates anti-proliferation language. (Changes to established, financed, maintained and controlled language, Section 13(2)b-c)	No change from intent of HB 4024 (2024). HB 4018A simply clarifies that enforcement of anti-proliferation statutes should be complaint based (like our current system), and for the purpose of evading contribution limits. The Elections Division took went outside the scope of intent when developing the rules, creating a system that would mean: ● Person A contributions $3,300 to Candidate B and $5,000 to Oregonians for Puppies. *(Within contribution limits.)* ● Oregonians for Puppies then contributes $1 to candidate *(No direction from Person A; Candidate B and Oregonians for Puppies are not affiliated.)* ● Person A, Candidate B and Oregonians for Puppies have likely ALL violated campaign finance limits That was never the intent of HB 4024, and would make it likely any person, business or entity would unknowingly violate contribution limits. HB 4024 said that independent entities making independent decisions should be treated as independent. HB 4018 affirms that language by clarifying in **Section 13(2)b-c** so the Election Division has clear guidance.	HB 4018 A eviscerates the anti-proliferation requirements, as confirmed by the Campaign Legal Center (CLC), the nation's leading experts on campaign finance. It allows any person or entity to create an unlimited number of new entities, each entitled to make contributions up to the limits, as long as the creator can think of one reason for the creation, other than evading the contribution limits. Its Section 13(2)(b) allows unlimited proliferation of entities, unless it "was established for the **sole purpose** of evading the contribution limits set forth in ORS 260.014," an entirely new clause. The example by the lobbyists is mistaken. Person A can contribute the maximum to a candidate and also contribute the allowed maximum to a political committee, as long as Person A does not control the political committee. Also, the new HB 4018 A language does not even address the imaginary problem advanced by the lobbyists. Federal campaign law is structured in the same way, as is the law in most states. Contributing to a PAC that you do not own or control does not count toward the limit on your personal contributions to the candidate. And other governments do not have the exception for all entities created without the "sole purpose" of evading contribution limits.
Opponents claim that *Section 10(3)c (i.e. in-kind communication*) would create an "infinite loophole" for contributions	This was clearly answered in House Rules (2/16) by LC: Paragraph **a** of that same sub-section is a broad definition that clearly covers anything that could be perceived as support as a contribution. Paragraph **c** was seen as duplicative by the SOS, affirmed by legislative counsel, and is being removed for that reason. Concerns that a court might rule differently are far-fetched as the record clearly states there is no intent for changes.	HB 4018 A expressly deletes "coordinated expenditure" from the definition of "contribution." The result is that there would be no limits on coordinated expenditures, so third parties could take over candidate campaigns, spend unlimited money, and not even report it on ORESTAR. The notion that "coordinated expenditures" would somehow continue to be considered "contributions" after being expressly deleted from that definition has no basis in law. Legislative intent is overwhelmingly determined by legislative language. A comment by Legislative Counsel in committee does not override the clear language of HB 4018 A. And the lobbyists state no reason for this change, other than their incorrect claim of “duplicative.”
Opponents claim that the "firewall" language in *section 2(16)* would also create an "infinite loop."	This language does not allow people to circumvent limits as is being stated, rather it is guidance - following federal requirements - for organizations that may participate in both candidate contributions and independent expenditures, in order to ensure that there is no coordination between those two sides. In fact, it has nothing to do with limits, but rather ensuring that people play by the rules and don't coordinate candidate and IE campaigns.	The Campaign Legal Center (CLC) states that the new "firewall" language in HB 4018 A is "nonsensical": "However, as drafted, the provision nonsensically provides that "an in-kind contribution to, or coordinated expenditure with, a candidate may not be deemed to be coordinated" where the firewall is complied with."

[Alleged] Technical Fixes:	Business & Labor Lobbyists' Stated Rationale:	Facts from the Good Government Groups:
Opponents claim that in-kind limits should be in aggregate.	None of the contribution limits in HB 4024 were intended to be aggregate when initially negotiated and drafted. However there was one section where the Elections Division found ambiguity. This change clarifies that in-kind contribution limits are per contributor, just like every other contribution limit. Intent from HB 4024 has not been changed. If "aggregate" had been the intent as it was with IE disclosure - the word "aggregate" would have been used in 4024 - as it was with IE disclosure. This interpretation would have severely hampered everyday Oregonians from participating in grassroots democracy.	The special contribution limits for in-kind contributions in HB 4024 (2024) (now ORS 260.016)(2)) are not expressed in terms of how much a candidate can accept **per contributor**. The lobbyists now claim that was the intent of the parties who negotiated HB 4024 (2024) but provide no evidence of that. The Good Government Groups in 2024 did not have the intent that the lobbyists now claim.
Opponents claim that switching Multicandidate to Multicandidate from "per election cycle" to "per year" is "doubling contribution limits."	This was a drafting error noticed immediately after the HB 4024's passage in 2024. The intent during those conversations was that a Multicandidate Committee could receive contributions on a yearly basis. This fixes that error, and brings all the time periods for multicandidate committee contributions into alignment. As further proof that there is no effort to change limits that were negotiated in 2024, in the sub-sections concerning state candidate committees, the "election cycle" from multicandidate committees was retained, as those were specifically negotiated and therefore are to remain.	What was recognized is that HB 4024 (2024) expressed the contribution limits on funds flowing into multicandidate committees with inconsistent denominators. Some were "per year," while others were "per election cycle" (which is 2 years). We agree that the denominators should be made consistent, but the "fix" in HB 4018 A doubles the limits for contributions into multicandidate committees by any person (including any corporation or union) by reducing the denominator from per 2 years to per 1 year without changing the amount. That the lobbyists are not seeking to revise all of the contribution limits is not "proof" of the parties intent regarding multicandidate committees in 2024. The agreement made in 2024 was the text of HB 4024.
Opponents claim that In-kind limits should not apply to local candidates.	The original intent of HB 4024 was to ensure that in jurisdictions that do not have their own campaign finance laws, local candidates would have the same limits as state legislative candidates. Because in-kinds ended up in a separate section of the bill from contribution limits, this didn't happen as intended. HB 4018A simply ensures that most local candidates can rely on having the same framework for their campaigns, without changing any of the previous rights for local municipalities to set their own limits. This allows someone running for local office to have supporting organization canvass for them, provide childcare, or lend office space, as they can for legislative candidates. Local jurisdictions can still pass their own contribution limits, including in-kind contributions.	The lobbyists incorrectly state the situation. HB 4024 (2024) never extended the special in-kind contribution allowances for membership organizations to candidates for local office. The amounts are large, including over 2,000 hours of staff time given per year to each local candidate per contributor. The lobbyists are misstating the applicable limits. ORS 260.016(2)(a) [part of HB 4024 (2024)] separately allows all candidates to receive unlimited amounts of child care, elder care, interpretation and translation services, and legal services. Every candidate can also receive up to 2,500 square feet of free office space. So the lobbyists' examples are invalid.

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Opponents claim that this bill weakens disclosure requirements.i.e. an organization could donate donate $49,000 to a dozen different IEs, and never disclose a donor.	**Section 15(3)**, clearly states: "Upon making candidate campaign independent expenditures *in an aggregate of $50,000 in an* election cycle, a covered person shall disclose:" This concern is simply unfounded.	The lobbyists are selectively quoting. HB 4018 A Section 15(11) then states: (11) For purposes of this section, 'covered person' means any person that has made independent expenditures in an aggregated amount of not less than $50,000 in an election cycle <u>for any statewide or local election</u>. The Campaign Legal Center (CLC) states that the added language could well lead to the interpretation that the $50,000 spending threshold is per candidate, not in the aggregate for the independent spender for the entire election cycle. The lobbyists have offered no reason for this change.
Deletes minor party doubling.	The SOS and Elections Division have clearly stated the intent to open the primary election giving a window to minor parties. Still giving candidates for minor parties the same ability to raise resources as major party candidates, without complicating the system by having effectively two separate systems to track.	The lobbyists are entirely incorrect. Oregon law does not allow minor party candidates to participate in the primary election. See ORS Chapter 249. The Secretary of State cannot change that law (and has never stated an intention to try). HB 4024 (2024) added ORS 260.014(17): "A candidate seeking a minor party nomination shall be considered to be participating in the primary election for the purposes of the contribution limits established in this section." That means that persons seeking minor party nominations shall have the same contribution limits as candidates running in major party primaries, because the limits are "per election." HB 4018 A deletes that provision, thus cutting in half all of the allowed contributions to minor party candidates and allowing major party candidates seeking the same offices to receive double those amounts. This discrimination is fertile grounds for litigation.

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Subsection (3)(a) disallows contributions from clubs, societies, associations, organizations of anonymous LLCs, but the disallowance is limited to "a candidate or the principal campaign committee of a candidate." Thus, -8 allows these types of amorphous and undefined entities to make contributions (as "persons") to all other political committees, including those which may support or oppose candidates for public office.	HB 4024 (2024) said: For purposes of candidate contributions, clubs, societies, associations, organizations or anonymous limited liability companies are not authorized contributors. While wording has shifted, the content has not. This is an attempt at subterfuge, lying about changes to make HB 4018A seem nefarious. When in fact opponents are the ones being nefarious. The policy and intent are unchanged.	HB 4018 A greatly shifts the content and punches a huge loophole in the contribution limits. HB 4024 (2024) disallowed all contributions from such non-incorporated groups in ORS 260.014(16)(a) [added by HB 4024]: > For purposes of candidate contributions, clubs, societies, associations, organizations or anonymous limited liability companies are not authorized contributors. HB 4018 A Section 13(3)(a) changes that language to: > Clubs, societies, associations, organizations or anonymous limited liability companies may not make contributions to a candidate or the principal campaign committee of a candidate. Such clubs, societies, etc., are within the definition of "person" that ORS Chapter 260 allows to make contributions. See ORS 260.005(16): "Person" means an individual, corporation, limited liability company, labor organization, association, firm, partnership, joint stock company, club, organization or other combination of individuals having collective capacity. HB 4024 (2024) excluded such non-incorporated persons from making any contributions to any candidates or committees. But HB 4018 A excludes non-incorporated persons only from making "contributions to a candidate or the principal campaign committee of a candidate." It allows them to make contributions, as a "person", to all other political committees, including multicandidate committees, legislative caucus committees, and political party committees--which in turn can use the funds to support or oppose candidates for public office. Thus, HB 4018 A invites the unlimited creation of undefined "clubs" or "associations," each of which can contribute up to the limits to all political committees except candidate committees.
Section 29(2) allows unions to fund their multicandidate committees by "attributing" contributions therein to their members.	This is the same system used by the Federal government to help streamline the process of money transfers between employers and unions. Without this, every union contract - private and public - would need to be reopened and renegotiated to account for the doubling or tripling of HR work that would be required.	HB 4024 (2024) allows labor unions to form multicandidate committees and small donor committees and for those committees to receive contributions from persons, including union members. It does not allow labor unions to "attribute" amounts from its members' dues into their political committees. That is why HB 4018 A adds this provision, which was never discussed with any good government groups.

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Section 31(12) allows any major party to transfer into its Oregon political party multicandidate committee unlimited sums from the party's federal PACs, which are not subject to the Oregon contribution limits. This is a large new loophole only for the major parties.	Federal law requires state parties to split their payroll between their state and federal PACs at certain percentages, and to transfer the monies between them to do so. This allows our state parties to follow federal law. It does not create some grand loop hole, as there are limits into both PACs, and the limits out of the state PAC to candidates remains the same.	HB 4018 A includes a loophole that allows the Democratic and Republican parties to transfer unlimited sums from their federal committees to their Oregon state committees. HB 4024 (2024) does not have this loophole. The HB 4018 A language is not limited to payroll reconciliation. It allows unlimited: (12) Transfers of funds between a political party multicandidate committee and any account that is established, financed, maintained or controlled by the committee and regulated by the Federal Election Campaign Act of 1971, 52 U.S.C. 30101 et seq., or its successor, to the extent the transfers are permitted under federal law. The limits on contributions into federal party PACs are higher than the HB 4024 limits on contributions into state party PACs. An individual U.S. citizen may contribute $44,300 per year per to a political party national committee and $10,000 to any state/local party federal account. Those are much higher than the HB 4024 (2024) contribution limits of $5,000 per 2-year election cycle. Further, HB 4018 A allows anyone to contribute the maximum allowed under HB 4024 (2024) and also contribute the maximum allowed by federal law to the party's federal committees, which in turn are allowed to transfer unlimited funds to the state parties.
Section 33(c) removes the Secretary of State's authority to impose civil penalties for violations of ORS 260.009 (the anti-proliferation provisions), 260.016 (controlling more than one committee), and 260.059 (original source fund reporting). No authority to penalize = no enforcement.	Penalties have to be separated into the two timeframes in alignment with different features of the law taking effect. With limits coming into effect in 2027, those remain the same. But because the disclosure piece - and thereby the EFMC piece - are coming into effect in 2031, they need to be put in a different section with a different effectiveness date. So what happened to them? **260.009**: To break EFMC is to have broken the campaign contribution limits established in 260.014, because the individual has exceeded their limit. So penalties are those established under 260.014. **260.016**: The in-kinds were moved into 260.014, and are still governed by the same penalties. As with EFMC, to control more than one of the same PACs is to have broken limits, and so penalties are those established under 260.014. **260.059**: Section 35 reinstates the penalties for 260.059.	HB 4018 A, Section 33, expressly removes from ORS 260.232(1)(c) the authority of the Secretary of State to assess civil penalties for violations of the anti-proliferation provisions (ORS 260.009). The lobbyists now say that the Secretary of State will somehow enforce those provisions anyway. They offer no reason why the enforcement authority should be deleted. The Established, Financed, Maintained or Controlled (EFMC) requirements are currently in ORS 260.014, where the Secretary of State has enforcement authority. But HB 4018 A expressly removes them from ORS 250.014 and puts them in a new Section 13. The codification of Section 13 is not specified. So the authority of the Secretary of State to enforce those requirements under HB 4018 A is uncertain.

CLC
ADVANCING
DEMOCRACY
THROUGH LAW

Via Email

March 4, 2026

The Honorable Jeff Golden
Oregon Senate

RE: Opposition to HB 4018

Dear Senator Golden,

I am writing to confirm that, as CLC has stated in our testimony in opposition to HB 4018, our view is that HB 4018 would substantially revise critical campaign finance reforms enacted two years ago in Oregon. At least two provisions, in particular, stand out for their effect of substantively weakening Oregon campaign finance law.

First, Section 13 of the bill would substantially undermine the law's anti-proliferation provisions. Specifically, by requiring related entities to share a contribution limit only if one of the entities was created "for the sole purpose of evading the [bill's] contribution limits," the bill would make it exceptionally difficult to enforce the anti-proliferation provisions. In other words, wealthy special interests could easily exploit this loophole by creating many entities—with relatively trivial secondary purposes—to multiply their contributions, rendering contribution limits illusory. I am not aware of any other jurisdiction that uses this "sole purpose" standard.

Second, Section 10 of the bill would, at best, raise serious questions as to whether coordinated expenditures are considered a contribution to a candidate, potentially creating a glaring loophole in all of the contribution limits by deleting the provision of Oregon law that explicitly provides that a coordinated expenditure is a contribution. While I understand the Secretary of State has stated on the record that the Secretary would interpret other provisions of the law to cover coordinated expenditures as a contribution, there is no reason to eliminate explicit coverage in favor of implicit coverage of coordinated expenditures, particularly when a future Secretary may not take the same position. A campaign finance system that fails to cover coordinated expenditures as a form of contributions functionally has no contribution limits, because coordinating expenditures with a candidate is no different from writing that candidate a check. I am not aware of any other

jurisdiction that has deleted a provision explicitly including coordinated expenditures as contributions in favor of implicit coverage elsewhere in the law.

We would be happy to discuss these concerns further with you or your colleagues.

Sincerely,

/s/ Patrick Llewellyn
Patrick Llewellyn
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Campaign Legal Center
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