

# **Chapter 259**

**2015 EDITION**

## **Campaign Finance**

**(Chapter 3, Oregon Laws 2007 (Ballot Measure 47 (2006)), is compiled as a note)**

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## CAMPAIGN FINANCE

**Note:** The Act that comprises chapter 3, Oregon Laws 2007 (Ballot Measure 47 (2006)), was proposed by initiative petition and was approved by the people at the regular general election on November 7, 2006. By proclamation of the Governor dated December 7, 2006, the Act was declared to have received an affirmative majority of the total number of votes cast thereon and to be in full force and effect as provided in section 1, Article IV, Oregon Constitution. However, on November 17, 2006, the Secretary of State interpreted section (9)(f) of the Act to mean that the Act was not currently enforceable. On September 25, 2007, the Marion County Circuit Court in *Hazell, et al. v. Bradbury, et al.*, affirmed the Secretary of State's interpretation, holding that "...Measure 47, in its entirety, presently is not operative." The decision of the circuit court was appealed to the Oregon Court of Appeals.

In *Hazell v. Brown*, 238 Or. App. 487, 512 (2010), the Oregon Court of Appeals held that the circuit court did not err in its holding and that "the substantive provisions of Measure 47 did not, and will not, become operative unless or until Article I, section 8, is amended to permit limitations of the sort deemed unconstitutional in *Vannatta I* or until the Oregon Supreme Court revisits *Vannatta I* and determines that such limitations are constitutional under Article I, section 8."

In *Hazell v. Brown*, 352 Or. 455, 470 (2012), *rehearing denied*, 2013 Ore. LEXIS 484 (June 20, 2013), the Oregon Supreme Court affirmed the holdings of the trial and appellate courts, stating "we conclude that section 9(f), properly read, requires Measure 47 to be codified and held in abeyance pending an appropriate constitutional amendment or judicial decision that will render it operative." Chapter 3, Oregon Laws 2007, is set forth below for the user's convenience.

Legislative Counsel has added line spacing but has not otherwise adjusted the format of the text that was proposed by initiative petition and approved by the people.

Be It Enacted by the People of the State of Oregon, Chapter 259 of Oregon Revised Statutes is hereby amended by the addition of the following sections (referred to therein as "this Act"):

The purpose of this Act is to restore democracy in Oregon and reduce corruption and the appearance of corruption by limiting political campaign contributions and independent expenditures on candidate races and by increasing timely public disclosure of the sources of those contributions and expenditures. These limits and disclosure requirements are needed so that corporations, unions, and wealthy individuals do not exercise undue and disproportionate influence over the results of elections and upon the policies and decisions of candidates and public officeholders. Consistent with the U.S. Constitution, this Act applies to campaigns for all public offices in Oregon, except federal offices.

Oregon can make consistent progress in education, health care, economic development, living wage jobs, and natural resource issues, only by curtailing the power of private economic interests to unduly dominate our political process. We must restore fairness in political campaigns and achieve a government that represents the views and needs of all Oregonians instead of allowing only a powerful few to call the tune by providing funds to enable some candidates to overwhelm others.

### (1) Findings.

The people, acting in their legislative capacity, find these facts:

(a) The democratic process has not functioned properly in Oregon, due to the lack of reasonable limits on political campaign contributions and expenditures,

including expenditures made independently of candidates, on races for state and local public office. Oregon is one of only five states in the United States with no limits on political campaign contributions. All of the prohibitions, limits, and reporting and disclosure requirements of this Act are reasonable and necessary to curb the undue influence of large contributions and expenditures.

(b) Because Oregon candidates are now forced to treat campaign fundraising as an "arms race" to be won at all costs, they have become unduly beholden to large contributors and the special interests able to contribute large amounts for their campaigns. Contributions to candidates in contests for statewide public office and for the Oregon Legislature have increased from \$4.2 million in 1996 to \$27.9 million in 2002. Less than 4% of the contributions were in amounts of \$50 or less, and 75% of the money came from only 1% of the contributors.

(c) Large contributions distort the political process and impair democracy, with these adverse effects:

(1) Corrupting public officials and causing them to take actions that benefit large contributors at the expense of the public interest;

(2) Causing public officials to grant special access and accord undue influence to large contributors;

(3) Significantly impairing the opportunity for voters to hear from candidates who do not accept large contributions and for those candidates to communicate with voters; and

(4) Fostering the appearance of corruption and undermining the public's faith in the integrity of elected officials and the political process.

(d) Candidates engage in the money "arms race" due to their accurate perception that expenditures influence the outcome of elections. In contests for the Oregon Senate, the candidate spending the most money won 87% of the races in 2002 and 94% of the races in 2004. The two exceptions in 2002 and the only exception in 2004 were former legislators who still spent an average of \$195,000 each. In contests for the Oregon House of Representatives, the candidate spending the most money won 92% of the races in 2002 and 90% of the races in 2004. The five exceptions in 2002, including two incumbents, spent an average of \$167,000 each.

(e) Oregon candidates have become overly dependent upon large contributions from a very few donors. In the 2002 legislative races, over 98.5% of Oregon registered voters made no contributions at all. In the primaries, 49% of the contributed money came from 3% of the donors in contributions averaging over \$4,100 each. In the general election, 69% of the contributed money came from 6% of the donors in contributions averaging just under \$6,700 each. For the primary and general election campaigns combined, only 3.6% of the funds came from those contributing \$50 or less.

(f) Candidate campaigns spent almost \$15 million in the 2002 contest for Governor alone, easily surpassing the \$2.4 million spent in 1998, the \$6.9 million spent in 1994, and the \$3.2 million spent in 1990. In 2002, each major party candidate spent over \$4 million, and the average spent in the primaries by the four losing candidates taken seriously by the press was \$1.5 million.

(g) Contributions are given also to obtain access to and the favor of whichever candidate is elected. In 2002, almost 40% of money contributed to the legislative leadership political committees came from donors who contributed to both the Republican leadership committees and to the Democratic leadership committees. Nearly one-third of contributions to winning Oregon candidates after the close of the last reporting period in 2000 were first-time contributions from donors who had financially supported the losing candidate in the same race.

(h) Contributions to and expenditures for candidate campaigns in excess of those allowed by this Act are

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considered to be large contributions and expenditures in Oregon.

(i) Corporations have been granted state-conferred advantages for the purpose of economic gain and the amassing of wealth, including perpetual life, limited liability, and the issuance of securities. The use of corporate treasury funds for political purposes distorts the democratic process, threatens the integrity of the elections process, and overwhelms the voices of ordinary citizens. Corporate spending on politics does not necessarily reflect public support for the political agenda of the corporation. Therefore, corporate use of treasury funds for political purposes should be restricted to the maximum extent allowed by the United States Constitution and the Oregon Constitution.

(j) Examples of the undue influence exercised due to large campaign contributions include:

(1) In 2004, the Oregon Lottery Commission disregarded its own study (showing that Canadian provinces pay video poker outlets commissions of 15% of the money taken in, instead of the 32% paid in Oregon) and continued to allow video poker parlors in Oregon to keep an extra \$85 million per year that should be going to schools. The Commission answers to the Governor and the Legislature, and the Oregon Restaurant Association, whose clients were on the receiving end of the extra \$85 million, contributed over \$1.2 million to their candidacies in the last 3 elections.

(2) Enron Corporation took over PGE in 1997 and in 2001 got from the Oregon Public Utility Commission (OPUC) the largest electricity rate increase in Oregon history - over \$400 million per year. The OPUC also refuses to make PGE pay back any of the more than \$700 million PGE has charged Oregon ratepayers since 1997 for "federal and state income taxes" that in fact neither Enron nor PGE has ever paid. The OPUC answers to the Governor and the Legislature, and PGE/Enron has contributed almost \$400,000 to candidates for the Oregon Legislature and both major political parties.

(k) Even if corporate contributions and expenditures were prohibited, corporations could channel political spending through individuals (in the form of large salaries, bonuses, or other compensation or gifts) and thereby continue to exercise undue influence over candidates and public officeholders, who would be aware of the sources of the funds.

(l) Allowing unlimited individual contributions accords undue influence to wealthy individuals, regardless of their sources of wealth, who can use that influence to obtain access to public officeholders and benefits from government not available to others. In the 2002 contest for Governor, one individual contributed \$415,000 to the Republican candidate and another \$125,000 to the Oregon Republican Party. The same candidate received another \$200,000 from an individual and another \$150,000 from another individual, with \$100,000 more from that contributor's son. Each of these individual contributors were executive officers of corporations.

(m) Even if all other contributions were prohibited or limited, large contributions by candidates to their own campaigns would also have the adverse effects noted above, because it would allow candidates with personal wealth to overwhelm the efforts of other candidates and compel those candidates to become beholden to large contributors and special interests in order to compete. Statewide campaigns in Oregon governed by the federal contribution limits have been dominated by candidate personal wealth. In 1996, for example, the winning candidate for an Oregon seat in the U.S. Senate, Gordon Smith, spent over \$2 million of his personal wealth, defeating Tom Bruggere, who spent \$1 million of his personal wealth.

(1) Regardless of the source of wealth, allowing unlimited use of personal funds undermines the goal of

robust public debate by discouraging non-wealthy candidates from competing for office, thereby depriving voters of the opportunity to support candidates reflecting a full range of views and experiences.

(2) Candidates should be banned from loaning money to their own campaigns, because solicitations of campaign funds to repay the loans would result in direct financial gain for the candidates.

(n) Contribution limits can also be circumvented when adults use minors to make additional contributions. It is thus necessary to further limit campaign contributions and expenditures by persons under 16 years of age and to prohibit them by persons under 12 years of age, as such contributions and expenditures are very likely to be dictated by adults as a means of circumventing the limits.

(o) Candidates should not be allowed to carry over campaign funds from one election cycle to another, because the accumulation of such "war chests" distorts and corrupts the election process by deterring other candidates from competing for public office and thereby unfairly entrenching incumbents in future elections. One example: In 2002, incumbent members of the Oregon Legislature entered their races with over \$785,000 in funds carried over from previous campaigns. Every incumbent Senator running for re-election won, as did every incumbent member of the House of Representatives, except one who switched parties in 2001. Further, the carried over funds do not necessarily reflect the current views of the contributors on the merits of the candidates in the later race.

(p) Reasonable limits on contributions to political committees and to political parties are also necessary to avoid the adverse effects of large contributions noted above and to ensure that contributors cannot evade the limits on contributions to candidate committees by making unlimited contributions to political committees and political parties that support or oppose their candidates.

(q) Contributions from individuals of fifty dollars (\$50) or less to small donor committees pose little or no risk of corruption, because contributions to these committees will reflect public support for the committee's political positions and will not enable the contributors to exercise undue influence over elected officials or over the results of elections.

(r) In 1994, voters in Oregon approved a statutory ballot measure, Measure 9, establishing contribution limits similar to those in this Act, by an affirmative vote of 72 percent. The Oregon Supreme Court in 1997 found that those limits were not permitted under the Oregon Constitution. This Act shall take effect at a time when the Oregon Constitution does allow the limitations contained in this Act.

(s) When the Measure 9 limits were in effect during the 1996 election cycle, candidates were able to amass sufficient funds to campaign effectively and have their voices rise to the level of public notice, using the contributions allowed by Measure 9. A more recent example shows that the contribution limits in this Act will allow effective campaigns. In 2004, Tom Potter won the election for Mayor of Portland, in a race involving over 350,000 registered voters, while limiting his campaign to contributions from individuals not exceeding \$25 per individual in the primary and \$100 per individual in the general election campaign. The reasonable limits in this Act will increase competition for public office, foster a greater robustness of political debate in Oregon, and alleviate the adverse effects noted above.

(t) Limiting contributions will encourage candidates to spend more time in direct contact with voters in their districts and less time raising funds from large contributors, thus improving their understanding of public needs and policy solutions.

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(u) So-called “independent expenditures” supporting or opposing one or more candidates must also be regulated and disclosed, in order to avoid circumvention of the limits on political contributions. In 2004, for example, these “independent expenditures” supporting or opposing federal candidates amounted to more than \$500 million and provided conduits for corporations, unions, and wealthy individuals to circumvent limits on contributions to candidates for federal office.

(v) When campaign contribution limits were in place in Oregon’s 1996 election cycle, “independent expenditures” increased from a negligible level to over \$1.85 million, as large donors evaded the contribution limits by funding non-candidate organizations that conducted express advocacy and electioneering campaigns to support or oppose candidates. These large expenditures corrupt the political process in the same manner as large contributions, with the same adverse effects noted above, because (1) candidates and elected officials are aware of the sources of the “independent expenditures” supporting or opposing their candidacies and (2) such expenditures allow the sources to exercise undue influence over the outcome of elections. These influences are even more severe than in the case of direct, publicly-reported contributions to a candidate campaign, because the connections between the candidate and those funding “independent expenditure” campaigns are known to the candidate but far less apparent to the public. Further, the candidate can publicly disavow the independent expenditures, which nevertheless remain effective in influencing voters and in helping the candidate.

(w) The effective exercise of the right to vote requires timely access to understandable information about contributions and expenditures to influence the outcome of elections. Therefore, this Act requires:

(1) More effective reporting of campaign contributions and expenditures, including so-called “independent expenditure” campaigns, which is particularly necessary in light of Oregon’s distribution of vote-by-mail ballots weeks prior to election day; and

(2) Effective and prompt disclosure of the identities of large donors in communications to voters by independent expenditure campaigns (including the businesses of those donors).

(x) As all levels of government in the United States are adopting more controls on political campaign contributions and expenditures, the courts are issuing many new decisions on whether the variety of new controls are consistent with the United States Constitution. Drafting and enacting a ballot measure, and completing judicial review of its provisions through all levels of the courts, takes a minimum of several years. If any specific limitation or threshold or time period or age limit in this Act is ultimately found to conflict with the United States Constitution or with the Oregon Constitution, the public interest will best be served by (1) swiftly adjusting the conflicting provision so that the conflict is removed or, if that is not possible, then (2) severing the conflicting provision so that the remainder of this Act remains fully in effect.

(y) Under the limits in this Act, the people of Oregon will have ample opportunities to express their opinions and level of support for or opposition to candidates; to form and fund effective organizations to express political views; and to enjoy the freedoms of speech and association.

### (2) Definitions.

Except for the definitions provided in this section, the definitions in Chapter 260 of Oregon Revised Statutes shall apply to this Act.

(a) “Business entity” means any corporation, partnership, limited liability company, proprietorship, or

other form of business organization which creates an entity which is legally separate from individuals.

(b) “Campaign” means any communication to voters for the purpose of influencing the outcome of any contest.

(c) “Candidate” shall have the meaning provided in Chapter 260, except that it includes a public office holder against whom a prospective recall petition has been filed and has not expired pursuant to ORS 249.875.

(d) “Candidate committee” means any entity or any combination of individuals and/or entities, that receives a contribution or makes an expenditure under the authority of a candidate. Every candidate committee shall register with the Secretary of State prior to receiving a contribution or making an expenditure. A candidate shall control only one candidate committee.

(e) “Candidate contribution” means any contribution made to support or oppose the nomination or election of any candidate or candidates.

(f) “Candidate survey” means a publication showing the positions of all candidates for a public office on selected bills, proposals, or issues; provided, that:

(1) The sponsor timely provides the survey questionnaire and a reasonable time for responding to all candidates for the office; and

(2) The publication consists of the questions posed and the responses of all responding candidates and may include descriptions of the bills or proposals and the positions thereon of the organization publishing the survey.

(g) “Cash” means currency and any other means of payment that does not identify the payor on the written or electronic instrument of payment.

(h) “Contest” means any electoral contest among one or more candidates for a non-federal public office.

(i) Contributions and Expenditures.

(1) “Contribution” or “contribute” includes:

(A) The payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compensation or consideration, of money, services, supplies, equipment or any other thing of value to or on behalf of, or for reducing the debt of, a candidate, candidate committee, political committee, or political party; and

(B) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforceable, to make a contribution.

(2) “Expenditure” or “expend” includes:

(A) The payment or furnishing to anyone of money or any thing of value in consideration for any services, supplies, equipment or other thing of value performed or furnished for any reason, or the incurring or repayment of indebtedness or obligation, including the creation of an account payable:

1) For the purpose of influencing the outcome of any contest; or

2) By or on behalf of, or for reducing the debt of, a candidate, candidate committee, political committee, political party, or independent expenditure campaign; and

(B) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforceable, to make an expenditure.

(3) Any expenditure of personal funds by a candidate to influence the outcome of the candidate’s contest constitutes both a contribution to the candidate committee and an expenditure by the candidate committee.

(4) “Contribution” and “Expenditure” do not include:

(A) Volunteer personal services (including those of the candidate) for which no compensation is asked or

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given, including unreimbursed travel expenses incidental thereto;

(B) Any bona fide news story, commentary or editorial distributed through the facilities of any media organization, including any television or radio station, newspaper, magazine or other regularly published periodical; provided, that the media organization:

1) Is not paid by any individual or entity for distributing the news story, commentary or editorial, apart from normal advertisers;

2) Is not owned or controlled by one or more candidates, political committees, or political parties; and

3) Does not distribute the news story, commentary, or editorial to voters by unsolicited mailings or other means of distribution not sought by the recipient, including any paid advertisement in any other medium.

(C) Nonpartisan activity solely to encourage individuals to vote or to register to vote, without expressing a preference regarding the outcome of any election;

(D) Communication to its members, and not to the public, by a membership organization not organized primarily for the purpose of influencing the outcome of contests, including communication of an officeholder scorecard or candidate survey; or

(E) Production of an officeholder scorecard or candidate survey and its distribution by paper or electronic copies (but not by paid advertising on television or radio) at a cost of less than twenty thousand dollars (\$20,000) for distribution to the public.

(F) Funds provided to candidate committees by entities of government pursuant to a system of public funding.

(j) "Coordinated Expenditure" means an expenditure coordinated with a candidate, candidate committee, political committee, or political party (hereinafter "coordinated entity"), including:

(1) An expenditure made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, the coordinated entity or its agent;

(2) An expenditure for the production, dissemination, distribution, or publication of any broadcast or any written, graphic, or other form of political advertising or campaign communication prepared by or for the coordinated entity or its agent;

(3) An expenditure based on information, provided to the expender by the coordinated entity or its agent, about the coordinated entity's plans, projects, or needs; or

(4) An expenditure by a person who, in the election cycle during which the expenditure is made:

(A) Has served as a member, employee, fundraiser, agent, or advisor to the coordinated entity; or

(B) Has received any form of compensation or reimbursement from the coordinated entity or its agent;

(C) Has retained the professional services of any person who has provided campaign-related services to the coordinated entity.

(k) "Dominant contributor" means any individual or entity which contributes more than five hundred dollars (\$500) during an election period to any candidate committee, political committee, political party, or independent expenditure campaign.

(l) "Election cycle" means the period of time between one biennial general election and the next biennial general election, including any primary or other preliminary elections to select candidates. For any contest which does not occur at a biennial general election, "election cycle" means the period of time between an election at which a candidate is elected and the next election for that same office, disregarding any inter-

vening primary or nominating election, any recall election, and any special election called to fill vacancies.

(m) "Election period" means:

(1) The period beginning the day after a biennial general election and ending on the day of the next biennial primary election; and

(2) The period beginning the day after a biennial primary election and ending on the day of the next biennial general election; and

(3) For any recall election:

(A) The period beginning the day that the prospective recall petition is approved for circulation and ending on the day that the completed recall petition is filed; and

(B) The period beginning the day that the recall election is called or declared and ending on the day of the recall election.

(4) For any special election called to fill a vacancy, the period beginning the day that the election is called or declared and ending on the day of the election.

(n) "Electioneering communication" means any communication (other than a tax-exempt informational communication) which:

(1) Is distributed within thirty (30) days before regular ballots are distributed to voters in a primary election or sixty (60) days before regular ballots are distributed to voters in a general election or any other election at which a public office is filled;

(2) Unambiguously refers to a candidate running in that election or to a political party with at least one candidate running in that election;

(3) Is distributed so as to include voters who are eligible to vote for the candidate or for one or more of the candidates of the political party referenced in subsection (2) above;

(4) Is distributed by means of payment to any communication medium, including television, radio, magazine, newspaper, outdoor advertising, direct mail, door-to-door delivery, or any other medium that receives actual or promised payment from the sponsor in excess of one thousand dollars (\$1,000) for distributing one or more such communications; and

(5) Either:

(A) Includes the candidate's image; or

(B) Refers to the candidate's prior or current position on a public policy issue (including votes, statements, or actions), or the position of the political party of the candidate, when such position has been raised in any public communication as distinguishing the candidate from others in the campaign; or

(C) Refers to the candidate's personal history or activities, when such subjects have been raised in any public communication distinguishing the candidate from others in the campaign; or

(D) Promotes or supports a candidate or political party or attacks or opposes a candidate or political party.

(o) "Entity" means a corporation, limited liability company, labor organization, association, firm, partnership, joint stock company, club, organization or other combination of individuals and/or organization which has collective capacity.

(p) "Express advocacy communication" means any communication to voters expressly advocating the election or defeat of one or more clearly identified candidates, including but not limited to expressions such as "vote for," "vote against," "elect," "re-elect," "retain," "return," "choose," "defeat," "reject," "send home," "support," "oppose," "should be in office," "should not be in office," or "deserves your vote."

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(q) "Independent expenditure" means an expenditure, by an individual or entity other than a candidate committee, on express advocacy communication or electioneering communication that is not a "coordinated expenditure" as defined in this Section (2).

(r) "Independent expenditure campaign" means the use of independent expenditures to engage in express advocacy communication or electioneering communication.

(s) "Individual" means a citizen or resident alien of the United States entitled to vote in federal elections; however, when this Act expresses a limitation or prohibition, "individual" means any human being.

(t) "Measure committee" means any entity, or any combination of individuals and/or entities, that receives a contribution or makes an expenditure in excess of two hundred dollars (\$200) in any calendar year to support or oppose a ballot measure. A measure committee shall make no contributions or expenditures supporting or opposing any candidate for public office.

(u) "Membership organization" means a nonprofit organization having individual members who have paid dues to join or maintain membership in the organization.

(1) It can be incorporated or unincorporated but cannot be formed or operated for the purpose of commercial enterprise.

(2) It can transfer to one and only one small donor committee not more than forty percent of the dues paid by each individual member of the organization, with a limit of fifty dollars (\$50) transferred per individual member per calendar year, with such transfers treated as having been contributed by each individual dues-paying member

(3) It shall within thirty (30) days of such transfer notify each dues-paying member of the amount or percentage of dues transferred. Such notice may be provided by regular mail or electronic mail to each affected member or by posting the information on an Internet site. If the amount or percentage of dues transferred is the same for each member or category of members, the posting may state that amount or percentage and need not identify any member.

(v) "Officeholder scorecard" means a publication showing the votes on selected bills or proposals of all of the members of a government body that takes recorded votes. It can include descriptions of the bills or proposals and the positions thereon of the organization publishing the scorecard. It must include the votes of all of the members of the government body on these bills or proposals.

(w) "Political committee" means any entity or any combination of individuals and/or entities, that in any calendar year receives a contribution in excess of two hundred dollars (\$200) or makes an expenditure in excess of one thousand dollars (\$1,000) to support or oppose one or more candidates and/or political parties.

(1) It does not include a candidate committee or any committee which does not support or oppose one or more candidates or political parties, such as a measure committee or committee seeking to place a measure on the ballot (other than a recall measure).

(2) The following shall be treated as a single political committee: All political committees (except small donor committees) established, financed, maintained, or controlled by:

(A) For corporations: the same corporation (including all corporate affiliates and subsidiaries) or substantially the same group of corporations;

(B) For unions: the same labor organization unit, at any level, if the unit has authority to make an independent decision as to which candidates to support or oppose; or

(C) For others, substantially the same group of individuals or entities or combinations thereof.

(x) "Political nonprofit organization" means a nonprofit corporation or association which:

(1) Was formed for the express purpose of promoting political ideas;

(2) Was not formed by one or more business entities or labor unions;

(3) Cannot engage in business activities except those incidental to its political purpose, such as the sale of campaign buttons;

(4) Has no shareholders or other individuals or entities affiliated so as to have a claim on its assets or income;

(5) Cannot serve as a conduit for contributions or expenditures by corporations, other business entities or labor unions.

(6) Has not, directly or indirectly, accepted any donation of money or any thing of value (including discounts on products or services) from any corporation, other business entity, or labor union.

(7) Has not received any payment for providing products or services to corporations, other business entities, or labor unions.

(y) "Political party" means an assembly of electors qualified by law to nominate candidates for election to public office in Oregon. A political party or subdivision thereof shall make its contributions and expenditures by means of a political party finance committee.

(z) "Political party finance committee" means a political committee maintained by an Oregon political party or subdivision thereof.

(aa) "Prominently disclose" means that the communication states the following information about the dominant contributor or the self-funded candidate on all communications other than small campaign items: name, primary businesses engaged in, and total contributions and expenditures for the campaign at issue since the most recent biennial general election, with such statement:

(1) Current to within ten (10) days of the printing of printed material or within five (5) days of the transmitting of a video or audio communication; and

(2) Comprehensible to a person with average reading, vision, and hearing abilities, with any printed disclosure appearing in type not smaller than 8 points, any video disclosure remaining readable on the regular screen (not closed captioning) for a sufficient time to be read by a person with average vision and reading ability, and with any auditory disclosure spoken at a maximum rate of five words per second.

(ab) "Public office" means any state, county, district, city, or other non-federal governmental office or position that is filled by the votes of electors, not including any political party office.

(ac) "Small campaign items" means:

(1) Small items worn or carried by individuals, such as buttons, pins, stickers, bracelets, and pens;

(2) Signs smaller than 6 square feet;

(3) Any communication where the required prominent disclosure would violate any federal law or regulation; or

(4) A distribution of one hundred (100) or fewer substantially similar pieces of literature.

(ad) "Small donor committee" means a political committee established to accept only contributions from individuals and which cannot accept such contributions in amounts exceeding fifty dollars (\$50) per individual per calendar year. The following shall be treated as a single small donor committee: All small donor committees established, financed, maintained, or controlled by:

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(A) For corporations: the same corporation (including all corporate affiliates and subsidiaries) or substantially the same group of corporations;

(B) For unions: the same labor organization unit, at any level, if the unit has authority to make an independent decision as to which candidates to support or oppose; or

(C) For others, substantially the same group of individuals or entities or combinations thereof.

(ae) "Tax-exempt informational communication" is a communication that would otherwise be an electioneering communication but which is undertaken by an organization which:

(1) Has received a determination letter from the Internal Revenue Service, designating it exempt from taxation under Internal Revenue Service Code § 501(c)(3), and which has maintained such status;

(2) Does not "participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office," as prohibited by Internal Revenue Service Code § 501(c)(3); and

(3) Spends less than twenty thousand dollars (\$20,000) in any calendar year to distribute such communications in Oregon.

### (3) Limits on Contributions relating to Candidates.

(a) No corporation or labor union shall make any contribution to a candidate committee, political committee, or political party.

(b) No individual or entity shall make a contribution to a candidate committee, political committee or political party, except as specifically allowed in this Act.

(c) No candidate committee, political committee, political party, or other entity shall accept a contribution or make a contribution, except from funds obtained from the sources and in accordance with the contribution limits set forth in this Act.

(d) An individual may make only the following contributions:

(1) During any election period, to candidate committees, not more than:

(A) Five hundred dollars (\$500) to support or oppose candidates contesting for any particular statewide public office; and

(B) One hundred dollars (\$100) to support or oppose candidates contesting for any other particular public office.

(2) During any calendar year, not more than:

(A) Fifty dollars (\$50) to any small donor committee;

(B) Five hundred dollars (\$500) to any other political committee;

(C) Two thousand dollars (\$2,000) in the aggregate to a political party, including all subdivisions thereof; and

(D) Two thousand five hundred dollars (\$2,500) in the aggregate to all candidate committees, political committees (including small donor committees), political parties, and political nonprofit organizations.

(e) A political committee (other than a small donor committee or a political party finance committee) may make only the following contributions:

(1) During any election period, to candidate committees, not more than:

(A) Two thousand dollars (\$2,000) to support or oppose candidates contesting for any particular statewide public office;

(B) Four hundred dollars (\$400) to support or oppose candidates contesting for any other particular public office.

(2) During any calendar year, not more than two thousand dollars (\$2,000) in the aggregate to a political party, including all subdivisions thereof.

(f) A small donor committee may contribute to candidate committees, political committees, and political parties any amounts contributed to the small donor committee by individuals in amounts not exceeding \$50 per individual per year.

(g) A political party finance committee may contribute, during any election period, to candidate committees, not more than:

(1) Fifty thousand dollars (\$50,000) to support or oppose candidates contesting for any particular statewide public office;

(2) Ten thousand dollars (\$10,000) to support or oppose candidates contesting for any other particular public office.

(h) A contribution to a candidate shall be deemed a contribution to the candidate's candidate committee.

(i) No individual under sixteen (16) years of age shall make:

(1) A contribution in excess of fifty dollars (\$50) per election period to any candidate committee, political committee, or political party; or

(2) Aggregate contributions per election period in excess of five hundred dollars (\$500).

(j) No individual under twelve (12) years of age shall make any contributions.

### (4) Candidate Personal Contributions and Expenditures.

(a) A candidate may contribute to the candidate's own committee during any election period not more than:

(1) Fifty thousand dollars (\$50,000), if a candidate for any statewide public office; or

(2) Ten thousand dollars (\$10,000), if a candidate for any other public office; and

(3) An additional fifty percent (50%) of these limits, if the candidate is not the incumbent for the public office sought.

(b) Once a candidate has contributed more than \$5,000 in the aggregate to the candidate's own committee during any election cycle:

(1) The candidate committee shall report to the appropriate filing officer pursuant to ORS Chapter 260, within three (3) business days of its receipt, every subsequent contribution by the candidate during the election cycle; and

(2) Every paid communication by the candidate committee shall prominently disclose the amount that the candidate has contributed to the candidate's committee during the election cycle.

(c) If for any reason the limits in Section (4)(a) are not in effect and a candidate contributes more than the otherwise applicable limit stated in Section (4)(a):

(1) The filing officer who receives reports under Section (4)(b) shall immediately notify all other candidates for the same particular nomination or public office; and

(2) All limits on contributions to candidate committees under Section (3)(d)-(g) shall be increased for all other candidates seeking the same particular nomination or public office by the following factor: The amount contributed by the candidate to the candidate's committee divided by the limit stated in Section (4)(a) for that candidate, but not less than a factor of two.



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(d) A candidate shall make no loans to the candidate's own committee.

(e) If for any reason subsection (d) above is not in effect, then every loan by a candidate to the candidate's own committee outstanding at the close of the election period shall be considered a contribution and shall not be repaid from committee funds.

(f) All expenditures by a candidate regarding his or her candidacy shall be deemed a contribution to the candidate's committee.

(5) Expenditures by or Coordinated with Candidates, Political Committees, or Political Parties.

(a) No candidate committee, political committee, or political party shall expend funds to support or oppose a candidate, except those collected from the sources and in accordance with the contribution limits set forth in Section (3) of this Act.

(b) A coordinated expenditure shall constitute both (1) a contribution to the relevant coordinated entity by the maker of the expenditure and (2) an expenditure by the relevant coordinated entity.

(c) A candidate or political party may seek a determination that an expenditure is a coordinated expenditure benefitting an opposing candidate or political party by filing a petition with the Circuit Court of the county in which either candidate resides or in which the expenditure was made. The court shall schedule the petition for hearing not later than the third business day after its filing and service upon the benefitting candidate or party. The courts shall accord such petitions, and appeals therefrom, precedence on their dockets.

(6) Independent Expenditures regarding Candidates.

(a) No corporation or labor union shall make an independent expenditure to support or oppose any candidate or political party.

(b) No individual or entity shall make an independent expenditure to support or oppose any candidate or political party, except as specifically allowed in this Act.

(c) An individual in any calendar year shall make no independent expenditures in excess of :

(1) Ten thousand dollars (\$10,000) in the aggregate; and

(2) An additional amount not greater than twenty percent (20%) of the amount of candidate personal contributions reported by another candidate for the same public office pursuant to Section (4)(b)(1) of this Act.

(d) No individual under sixteen (16) years of age in any calendar year shall make independent expenditures in excess five hundred dollars (\$500), and no individual under twelve (12) years of age shall make any independent expenditures.

(e) Political committees (including small donor committees) and political parties may make independent expenditures from amounts received in compliance with the contribution limits of Section (3)(d) of this Act.

(f) A political nonprofit organization may make independent expenditures from its organizational treasury; provided, that:

(1) It spends only funds contributed to the organization by individuals in amounts that comply with the contribution limits applicable to a political committee;

(2) It reports these expenditures in compliance with the disclosure requirements of Section (6)(g) and the reporting requirements of Section (6)(h).

(g) Every communication funded by an independent expenditure campaign which has spent more than two thousand dollars (\$2,000) since the most recent biennial general election shall prominently disclose all contributors who have contributed amounts equal to or more

than the fifth largest dominant contributor to the independent expenditure campaign.

(h) In addition to the reporting requirements set forth in ORS Chapter 260, an individual or entity making independent expenditures during any election cycle in excess of the threshold amount stated in any subsection below shall report to the appropriate filing officer under ORS Chapter 260 its independent expenditures and the sources of funding for those expenditures in the same manner and format as a political committee must report contributions and expenditures pursuant to ORS Chapter 260. The reports shall identify the candidate(s) each independent expenditure sought to support or oppose.

(1) An individual or entity making or obligating such expenditures in excess of two hundred dollars (\$200) shall report to the appropriate filing officer on the same schedule applicable to a political committee under ORS Chapter 260.

(2) An individual or entity making or obligating such expenditures in excess of one thousand dollars (\$1,000) shall report to the appropriate filing officer within five (5) business days of making or obligating the independent expenditure which causes this threshold to be exceeded. Subsequent independent expenditures by the same individual or entity shall again be reported within five (5) business days after each time its unreported expenditures exceeds this threshold.

(3) If the level of unreported independent expenditures exceeds one thousand dollars (\$1,000) during the period within 45 days before an election, the individual or entity shall report to the appropriate filing officer not later than 5 p.m. on the next business day after the making or obligating of the independent expenditure which causes this threshold to be exceeded.

(7) Separate Segregated Political Committee Funds. Nothing in this Act shall prohibit any corporation, other business entity, or labor union from establishing or administering a separate, segregated fund that operates as a political committee; provided, that:

(a) The fund consists solely of voluntary contributions from the employees, officers, shareholders, or members of the organization within the limits established by Section (3) of this Act for contributions by individuals to a political committee;

(b) The fund is registered as a political committee with the appropriate registrar in the State of Oregon and complies with all laws pertaining to such a committee;

(c) The corporation, other business entity, or labor union uses not more than five hundred dollars (\$500) per year of treasury funds to create and administer the fund, with such expenditures reported as a specifically allowed contribution to the political committee; and

(d) Any solicitation for contributions directed to employees of a corporation or other business entity states that there is no required contribution and that the employee's response shall not affect the employee's employment, shall not be provided to the employee's supervisors or managers, and shall remain confidential to the extent allowed by law.

(8) Reporting of Contributions and Expenditures.

(a) The Secretary of State shall maintain a system of political campaign contributor handle registration.

(1) Any individual or entity may apply for a handle, which shall consist of a simple, unique combination of letters and numbers for each registrant, such as the individual's initials and a number.

(2) The handle application shall identify:

(A) An individual applicant by name, residence address, year of birth, occupation, and employer; or

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(B) An entity applicant by name, type of business entity, business address, business phone number, business Internet web address (if any), and all types of businesses engaged in.

(3) Any individual who makes aggregate contributions exceeding five hundred dollars (\$500) in any election cycle shall obtain a handle and provide it to the recipient of any subsequent contribution by that individual.

(4) Any individual or entity using a handle shall update the applicable information on file with the Secretary of State within thirty (30) days of any change to the information.

(b) The Secretary of State shall accept campaign contribution and expenditure reports in a simple spreadsheet, database or web-based format that identifies each contribution by date of contribution and either:

(1) Name, residence address, year of birth, occupation, and employer of the contributor, or

(2) The contributor's handle on file.  
Such formats shall not require separately calculated subtotals.

(c) Within five (5) business days of receipt, the Secretary of State shall report and make available on the Internet in an interactive database format all contribution and expenditure reports and all handle registrations. The format shall enable the user to determine the sources and amounts of reported contributions:

(1) For each candidate committee, political committee, political party, and independent expenditure campaign; and

(2) From each contributor who has contributed at least five hundred dollars (\$500) during the election cycle.

### (9) Other Provisions.

(a) No individual or entity shall make a contribution or expenditure in any name other than that of the individual or entity which in truth provides the contribution.

(b) No corporation or other entity or employer shall, directly or indirectly:

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

(2) Provide or promise any benefit or impose or threaten any detriment due to the fact that an employee or contractor did or did not make such contributions or expenditures.

(c) Within sixty (60) days after the close of the election cycle for the office sought, the unexpended funds of a candidate committee at the close of the election cycle for the office sought shall revert to the State of Oregon to offset the cost of producing the Voters' Pamphlet, except for those funds reasonably necessary to pay the obligations of the committee and to terminate its operations. A candidate elected to the Oregon Legislature may deposit not more than ten thousand dollars (\$10,000) of the unexpended funds into the account maintained for legislative office expenses during the legislative session.

(d) If, in the absence of this Section (9)(d), there would be entered in any court any order impairing the effectiveness of any provision of this Act on the ground that any of the numeric limits or thresholds, percentage limits or thresholds, time periods, or age limits specified in this Act conflict with the United States Constitution or Oregon Constitution, then we, the electors of Oregon, acting in our legislative capacity, hereby:

(1) Increase the conflicting numeric limit or threshold by increments of one hundred dollars (\$100)

as many times as necessary to render it consistent with the constitution at issue;

(2) Increase the conflicting percentage limit or threshold by increments of one percent as many times as necessary to render it consistent with the constitution at issue;

(3) Increase or decrease the conflicting time period by increments of one day as many times as necessary to render that time period consistent with the constitution at issue; and

(4) Decrease the conflicting age limit by increments of one year as many times as necessary to render it consistent with the constitution at issue;

A prohibition shall be considered a numeric limit of zero.

(e) If, in the absence of this Section (9)(e), there would be entered in any court any order impairing the effectiveness of any part of this Act on the ground that the United States Constitution or Oregon Constitution requires that any type of individual or entity be wholly or partially exempt from any of the prohibitions or limitations in this Act, then we, the electors of Oregon, acting in our legislative capacity, hereby declare that the provisions of this Act shall be given a narrowing interpretation so as to avoid invalidation of any provision of this Act and to preserve its effectiveness to the maximum degree consistent with the constitutions.

(f) If, on the effective date of this Act, the Oregon Constitution does not allow limitations on political campaign contributions or expenditures, this Act shall nevertheless be codified and shall become effective at the time that the Oregon Constitution is found to allow, or is amended to allow, such limitations.

### (10) Enforcement provisions.

(a) The provisions of this Act shall be administered and enforced by the Secretary of State and the Attorney General.

(b) Each violation of any provision in this Act shall be punishable by imposition of a civil fine which is not less than five times, nor more than twenty times, the amount of the unlawful contribution or expenditure.

(c) Any person subjected to a violation of Section (7)(d), (9)(b)(1), or (9)(b)(2) shall have a civil cause of action against the violator and shall, upon proof of violation, recover a civil penalty of not less than \$50,000 per incident of violation.

(d) Any person may file a written complaint of a violation of any of the provisions of this Act with the Secretary of State, who shall immediately refer the complaint to an administrative law judge. The administrative law judge shall hold a hearing on the complaint within fifteen (15) days and shall render a final decision within fifteen (15) days of the hearing. The decision shall include any appropriate order, sanction, or relief authorized by statute. Upon motion, the complainant or defendant shall be granted extensions of up to thirty (30) days or longer upon showing of good cause. The decision of the administrative law judge shall be final and subject to review by the Court of Appeals as an agency decision in a contested case. The decision shall be enforced by the Secretary of State or the Attorney General. If neither of them enforces the decision within thirty (30) days of the decision becoming final, the complainant may bring a civil action in a representative capacity for the collection of the applicable civil penalty, payable to the State of Oregon.

### (11) Supersession and Severability.

The provisions of this Act shall supersede any provision of law with which they may conflict. For the purpose of determining constitutionality, every section, subsection, and subdivision thereof of this Act, at any level of subdivision, shall be evaluated separately. If any section, subsection or subdivision at any level is held

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invalid, the remaining sections, subsections and subdivisions shall not be affected and shall remain in full force and effect. The courts shall sever those sections, subsections, and subdivisions necessary to render this Act consistent with the United States Constitution and with the Oregon Constitution. Each section, subsection, and subdivision thereof, at any level of subdivision, shall be considered severable, individually or in any combination. [2007 c.3]

- 259.005** [1973 c.796 §2; repealed by 1979 c.190 §431]  
**259.010** [1971 c.647 §1; 1973 c.796 §3; 1977 c.301 §6; 1979 c.190 §280; renumbered 255.005]  
**259.020** [1971 c.647 §2; 1973 c.796 §4; 1975 c.286 §13; 1975 c.598 §1; 1975 c.782 §§50,50a; 1979 c.108 §6; 1979 c.190 §281; renumbered 255.012]  
**259.030** [1971 c.647 §3; repealed by 1979 c.190 §431]  
**259.035** [1975 c.647 §13; 1979 c.190 §286; renumbered 255.055]  
**259.040** [1971 c.647 §25; 1977 c.516 §7; 1979 c.190 §283; 1979 c.533 §4; renumbered 255.022]  
**259.045** [1977 c.516 §6; 1979 c.190 §303; renumbered 255.265]  
**259.050** [1971 c.647 §§18,19,20; 1975 c.647 §2; repealed by 1979 c.190 §431]  
**259.060** [1971 c.647 §4; 1979 c.190 §307; repealed by 1979 c.519 §38]  
**259.070** [1971 c.647 §6; 1974 c.45 §6; 1977 c.829 §19; 1979 c.190 §301; renumbered 255.035]  
**259.075** [1977 c.829 §2; 1979 c.190 §302; renumbered 255.245]  
**259.080** [1971 c.647 §5; 1975 c.647 §3; 1977 c.301 §6a; 1979 c.190 §287; renumbered 255.075]  
**259.090** [1971 c.647 §7; 1975 c.647 §4; 1977 c.301 §7; 1979 c.190 §288; renumbered 255.085]  
**259.100** [1971 c.647 §8; 1975 c.647 §5; 1977 c.301 §8; 1979 c.190 §289; 1979 c.519 §30; renumbered 255.095]  
**259.110** [1971 c.647 §9; 1977 c.301 §9; 1979 c.190 §300; renumbered 255.215]

- 259.120** [1971 c.647 §10; 1973 c.796 §8; 1977 c.301 §10; 1979 c.190 §306; 1979 c.317 §20b; 1979 c.519 §31a; renumbered 255.285]  
**259.130** [1971 c.647 §11; 1979 c.317 §21; repealed by 1979 c.190 §431]  
**259.140** [1971 c.647 §12; 1979 c.317 §22; repealed by 1979 c.190 §431]  
**259.150** [1971 c.647 §13; 1975 c.647 §6; 1979 c.317 §23a; 1979 c.519 §31; repealed by 1979 c.190 §431]  
**259.160** [1971 c.647 §21; 1979 c.190 §284; renumbered 255.035]  
**259.170** [1971 c.647 §22; 1973 c.796 §9; repealed by 1977 c.301 §15]  
**259.180** [1971 c.647 §14; 1975 c.647 §7; repealed by 1979 c.190 §431]  
**259.190** [1971 c.647 §15; repealed by 1979 c.190 §431]  
**259.200** [1971 c.647 §16; 1975 c.647 §8; 1977 c.301 §11; 1979 c.190 §308; 1979 c.317 §24c; 1979 c.519 §32a; renumbered 255.295]  
**259.210** [1971 c.647 §17; repealed by 1979 c.190 §431]  
**259.220** [1971 c.647 §23; 1979 c.190 §304; 1979 c.317 §25a; renumbered 255.275]  
**259.230** [1971 c.647 §148; 1975 c.647 §9; 1979 c.190 §309; 1979 c.519 §33a; renumbered 255.305]  
**259.235** [1977 c.103 §4; 1979 c.190 §310; renumbered 255.325]  
**259.240** [1973 c.796 §5; 1974 c.45 §1; 1975 c.647 §10; 1977 c.103 §1; 1977 c.149 §1; 1977 c.301 §12; 1977 c.681 §1; 1979 c.190 §311; 1979 c.316 §5b; renumbered 255.335]  
**259.250** [1973 c.796 §6; 1974 c.45 §2; repealed by 1977 c.829 §23]  
**259.260** [1973 c.796 §7; 1974 c.45 §3; 1975 c.647 §11; 1977 c.254 §2; 1977 c.301 §13a; 1979 c.190 §312; 1979 c.316 §5; renumbered 255.345]  
**259.265** [1977 c.254 §2; 1979 c.190 §313; renumbered 255.355]

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