

House Bill 3270

Sponsored by Representative BUCKLEY; Representatives ACKERMAN, BARNHART, DINGFELDER, HASS, HOLVEY, HUNT, MARCH, NOLAN, ROSENBAUM, SHIELDS, TOMEI, WIRTH, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Sets limits on amounts that may be contributed to political candidates and political committees. Limits amount candidate may contribute to candidate's own campaign. Modifies limits for contributions to other candidates if candidate contributes specified amount to candidate's own campaign.

Limits independent expenditures. Requires filing of statement by person making certain independent expenditures.

Prohibits direct corporate and labor union contributions.

Directs Secretary of State to establish political contribution handle registration system to identify contributors.

Requires transfer of unexpended balance of contributions to Secretary of State following end of election cycle. Establishes Voters' Pamphlet Operating Account. Directs moneys transferred to secretary to Voters' Pamphlet Operating Account. Continuously appropriates moneys to Secretary of State for purpose of preparing voters' pamphlet.

Provides civil penalties.

Takes effect only if amendment to Oregon Constitution allowing regulation of campaign contributions proposed by House Joint Resolution 44 (2005) is approved by people at next regular general election or Oregon Constitution otherwise allows provisions of bill.

A BILL FOR AN ACT

1
2 Relating to elections; creating new provisions; amending ORS 260.005, 260.007, 260.041, 260.044,
3 260.083, 260.402 and 260.737; appropriating money; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 and 3 of this 2005 Act are added to and made a part of ORS**
6 **chapter 260.**

7 **SECTION 2. (1) The purpose of this 2005 Act is to restore democracy in Oregon and re-**
8 **duce corruption and the appearance of corruption by limiting political campaign contribu-**
9 **tions and independent expenditures in candidate races and by increasing timely public**
10 **disclosure of the sources of those contributions and expenditures. These limits and disclosure**
11 **requirements are needed so that corporations, unions and wealthy individuals do not exercise**
12 **undue and disproportionate influence over the results of elections and upon the policies and**
13 **decisions of candidates and public officeholders. Consistent with the United States Constitu-**
14 **tion, this 2005 Act applies to campaigns for all public offices in Oregon, except federal offices.**

15 **(2) The Legislative Assembly declares that Oregon can make consistent progress in edu-**
16 **cation, health care, economic development, living wage jobs and natural resource issues only**
17 **by curtailing the power of private economic interests to unduly dominate our political pro-**
18 **cess. The Legislative Assembly declares that changes in the election laws are necessary to**
19 **restore fairness in political campaigns and achieve a government that represents the views**
20 **and needs of all Oregonians instead of allowing only a powerful few to call the tune by pro-**
21 **viding funds to enable some candidates to overwhelm others.**

22 **SECTION 3. The Legislative Assembly finds that:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (1) The democratic process has not functioned properly in Oregon due to the lack of
 2 reasonable limits on political campaign contributions and expenditures, including expen-
 3 ditures made independently of candidates, on races for state and local public office. Oregon
 4 is one of only five states in the United States with no limits on political campaign contribu-
 5 tions. All of the prohibitions, limits and reporting and disclosure requirements of this 2005
 6 Act are reasonable and necessary to curb the undue influence of large contributions and
 7 expenditures.

8 (2) Because Oregon candidates are now forced to treat campaign fundraising as an “arms
 9 race” to be won at all costs, they have become unduly beholden to large contributors and the
 10 special interests able to contribute large amounts to their campaigns. Contributions to can-
 11 didates in contests for statewide public office and for the Legislative Assembly have in-
 12 creased from \$4.2 million in 1996 to \$27.9 million in 2002. Less than four percent of the
 13 contributions were in amounts of \$50 or less, and 75 percent of the moneys came from only
 14 one percent of the contributors.

15 (3) Large contributions distort the political process, impair democracy and have the ad-
 16 verse effects of:

17 (a) Corrupting public officials and causing them to take actions that benefit large con-
 18 tributors at the expense of the public interest;

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

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

23 (d) Fostering the appearance of corruption and undermining the public’s faith in the in-
 24 tegrity of elected officials and the political process.

25 (4) Candidates engage in the money “arms race” due to their accurate perception that
 26 expenditures influence the outcome of elections. In contests for the Senate, the candidate
 27 spending the most money won in 87 percent of the races in 2002 and in 94 percent of the
 28 races in 2004. The two exceptions in 2002 and the only exception in 2004 were former legis-
 29 lators who still spent an average of \$195,000 each. In contests for the House of Represen-
 30 tatives, the candidate spending the most money won in 92 percent of the races in 2002 and
 31 in 90 percent of the races in 2004. The five exceptions in 2002, including two incumbents,
 32 spent an average of \$167,000 each.

33 (5) Oregon candidates have become overly dependent upon large contributions from very
 34 few donors. In the 2002 legislative races, over 98.5 percent of Oregon registered voters made
 35 no contributions at all. In the primaries, 49 percent of the moneys contributed came from
 36 three percent of the donors in contributions averaging over \$4,100 each. In the general
 37 election, 69 percent of the moneys contributed came from six percent of the donors in con-
 38 tributions averaging just under \$6,700 each. For the primary and general election campaigns
 39 combined, only 3.6 percent of the funds came from those contributing \$50 or less.

40 (6) Candidate campaigns spent almost \$15 million in the 2002 contest for Governor alone,
 41 easily surpassing the \$2.4 million spent in 1998, the \$6.9 million spent in 1994, and the \$3.2
 42 million spent in 1990. In 2002, each major party candidate spent over \$4 million, and the av-
 43 erage spent in the primaries by the four losing candidates taken seriously by the press was
 44 \$1.5 million.

45 (7) Contributions are made also to obtain access to and the favor of whichever candidate

1 is elected. In 2002, almost 40 percent of moneys contributed to the legislative leadership
2 political committees came from donors who contributed to both the Republican leadership
3 committees and to the Democratic leadership committees. Nearly one-third of contributions
4 to winning Oregon candidates after the close of the last reporting period in 2000 were first-
5 time contributions from donors who had financially supported the losing candidate in the
6 same race.

7 (8) Contributions to and expenditures for candidate campaigns in excess of those allowed
8 by this 2005 Act are considered to be large contributions and expenditures in Oregon.

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

17 (10) Examples of the undue influence exercised due to large campaign contributions in-
18 clude:

19 (a) In 2004, the Oregon State Lottery Commission disregarded its own study showing that
20 Canadian provinces pay video poker outlets commissions of 15 percent of the moneys taken
21 in, instead of the 32 percent paid in Oregon and continued to allow video poker outlets in
22 Oregon to keep an extra \$85 million per year that should be going to schools. The commission
23 answers to the Governor and the Legislative Assembly, and the Oregon Restaurant Associ-
24 ation, whose clients were on the receiving end of the extra \$85 million, contributed over \$1.2
25 million to their candidacies in the last three elections.

26 (b) Enron Corporation took over Portland General Electric in 1997 and in 2001 received
27 from the Public Utility Commission the largest electricity rate increase in Oregon history--
28 over \$400 million per year. The commission also refuses to make Portland General Electric
29 pay back any of the more than \$700 million Portland General Electric has charged Oregon
30 ratepayers since 1997 for federal and state income taxes that in fact neither Enron nor
31 Portland General Electric has ever paid. The commission answers to the Governor and the
32 Legislative Assembly, and Portland General Electric and Enron have contributed almost
33 \$400,000 to candidates for the Legislative Assembly and both major political parties.

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

38 (12) Allowing unlimited individual contributions accords undue influence to wealthy indi-
39 viduals, regardless of their sources of wealth, who can use that influence to obtain access
40 to public officeholders and benefits from government not available to others. In the 2002
41 contest for Governor, one individual contributed \$415,000 to the Republican candidate and
42 another \$125,000 to the Oregon Republican Party. The same candidate received another
43 \$200,000 from an individual and another \$150,000 from another individual, with \$100,000 more
44 from that contributor's son. Each of these individual contributors were executive officers
45 of corporations.

1 (13) Even if all other contributions were prohibited or limited, large contributions by
2 candidates to their own campaigns would also have the adverse effects noted above because
3 candidates with personal wealth could overwhelm the efforts of other candidates and compel
4 those candidates to become beholden to large contributors and special interests in order to
5 compete. Statewide campaigns in Oregon governed by the federal contribution limits have
6 been dominated by candidate personal wealth. In 1996, for example, the winning candidate for
7 an Oregon seat in the United States Senate, Gordon Smith, spent over \$2 million of his per-
8 sonal wealth, defeating Tom Bruggere, who spent \$1 million of his personal wealth. Further:

9 (a) Regardless of the source of wealth, allowing unlimited use of personal funds under-
10 mines the goal of robust public debate by discouraging nonwealthy candidates from compet-
11 ing for office, thereby depriving voters of the opportunity to support candidates reflecting a
12 full range of views and experiences; and

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

16 (14) Contribution limits can also be circumvented when adults use minors to make addi-
17 tional contributions. It is thus necessary to further limit campaign contributions and
18 expenditures by persons under 16 years of age and to prohibit contributions by persons under
19 12 years of age because such contributions and expenditures are very likely to be dictated
20 by adults as a means of circumventing the limits.

21 (15) Candidates should not be allowed to carry over campaign funds from one election
22 cycle to another because the accumulation of such "war chests" distorts and corrupts the
23 election process by deterring other candidates from competing for public office and thereby
24 unfairly entrenching incumbents in future elections. For example, in 2002 incumbent mem-
25 bers of the Legislative Assembly entered their races with over \$785,000 in funds carried over
26 from previous campaigns. Every incumbent Senator running for re-election won, as did every
27 incumbent member of the House of Representatives, except one who switched parties in 2001.
28 Further, the carried-over funds do not necessarily reflect the current views of the contrib-
29 utors on the merits of the candidates in the later race.

30 (16) Reasonable limits on contributions to political committees and to political parties are
31 also necessary to avoid the adverse effects of large contributions described in this section
32 and to ensure that contributors cannot evade the limits on contributions to candidate com-
33 mittees by making unlimited contributions to political committees and political parties that
34 support or oppose their candidates.

35 (17) Contributions from individuals of \$50 dollars or less to small donor committees pose
36 little or no risk of corruption because contributions to these committees will reflect public
37 support for the committee's political positions and will not enable the contributors to exer-
38 cise undue influence over elected officials or over the results of elections.

39 (18) In 1994, voters in Oregon approved Ballot Measure 9, establishing contribution limits
40 similar to those in this 2005 Act by an affirmative vote of 72 percent. The Supreme Court in
41 1997 found that those limits were not permitted under the Oregon Constitution. This 2005
42 Act takes effect at a time when the Oregon Constitution does allow the limitations contained
43 in this 2005 Act.

44 (19) When the Ballot Measure 9 limits were in effect during the 1996 election cycle, can-
45 didates were able to amass sufficient funds to campaign effectively and have their voices rise

1 to the level of public notice, using the contributions allowed by Ballot Measure 9. A more
2 recent example shows that the contribution limits contained in this 2005 Act will allow ef-
3 fective campaigns. In 2004, Tom Potter won the election for Mayor of Portland, in a race
4 involving over 350,000 registered voters, while limiting his campaign to contributions from
5 individuals not exceeding \$25 per individual in the primary and \$100 per individual in the
6 general election campaign. The reasonable limits in this 2005 Act will increase competition
7 for public office, foster a greater robustness of political debate in Oregon and alleviate the
8 adverse effects described in this section.

9 (20) Limiting contributions will encourage candidates to spend more time in direct con-
10 tact with voters in the candidates' districts and less time raising funds from large contrib-
11 utors. This will improve the understanding by candidates of public needs and policy
12 solutions.

13 (21) So-called independent expenditures supporting or opposing one or more candidates
14 must also be regulated and disclosed in order to avoid circumvention of the limits on political
15 contributions. For example, in 2004 independent expenditures supporting or opposing federal
16 candidates amounted to more than \$500 million and provided conduits for corporations, un-
17 ions and wealthy individuals to circumvent limits on contributions to candidates for federal
18 office.

19 (22) When campaign contribution limits were in place in Oregon's 1996 election cycle,
20 independent expenditures increased from a negligible level to over \$1.85 million, as large do-
21 nors evaded the contribution limits by funding noncandidate organizations that conducted
22 express advocacy and electioneering campaigns to support or oppose candidates. These large
23 expenditures corrupt the political process in the same manner as large contributions with
24 the same adverse effects described in this section because candidates and elected officials
25 are aware of the sources of the independent expenditures supporting or opposing their can-
26 didacies, and the expenditures allow the sources of the expenditures to exercise undue in-
27 fluence over the outcome of elections. These influences are even more severe than in the
28 case of direct, publicly reported contributions to a candidate campaign because the con-
29 nections between the candidate and those funding independent expenditure campaigns are
30 known to the candidate but far less apparent to the public. Further, the candidate can pub-
31 licly disavow the independent expenditures, which nevertheless remain effective in influenc-
32 ing voters and in helping the candidate.

33 (23) The effective exercise of the right to vote requires timely access to understandable
34 information about contributions and expenditures to influence the outcome of elections.
35 Therefore, this 2005 Act requires:

36 (a) More effective reporting of campaign contributions and expenditures, including inde-
37 pendent expenditures, which is particularly necessary in light of Oregon's distribution of
38 vote-by-mail ballots weeks prior to election day; and

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

41 (24) As all levels of government in the United States are adopting more controls on pol-
42 itical campaign contributions and expenditures, the courts are issuing many new decisions
43 on whether the variety of new controls are consistent with the United States Constitution.
44 Enacting a law and completing judicial review of its provisions through all levels of the
45 courts takes a minimum of several years. If any specific limitation or threshold or time pe-

riod or age limit in this 2005 Act is ultimately found to conflict with the United States Constitution or with the Oregon Constitution, the public interest will best be served by:

(a) Swiftly adjusting the conflicting provision so that the conflict is removed; or

(b) If adjustment is not possible, then severing the conflicting provision so that remaining provisions remain fully in effect.

(25) Under the limits specified in this 2005 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.

SECTION 4. ORS 260.005, as amended by section 9, chapter 542, Oregon Laws 2003, is amended to read:

260.005. As used in this chapter:

(1) **“Business entity” means a corporation, partnership, limited liability company, proprietorship or other form of business organization that creates an entity that is legally separate from individuals.**

[(1)(a)] (2)(a) **“Candidate” means:**

(A) An individual whose name is printed on a ballot, for whom a declaration of candidacy, nominating petition or certificate of nomination to public office has been filed or whose name is expected to be or has been presented, with the individual’s consent, for nomination or election to public office;

(B) An individual who has solicited or received and accepted a contribution, made an expenditure, or given consent to an individual, organization, political party or political committee to solicit or receive and accept a contribution or make an expenditure on the individual’s behalf to secure nomination or election to any public office at any time, whether or not the office for which the individual will seek nomination or election is known when the solicitation is made, the contribution is received and retained or the expenditure is made, and whether or not the name of the individual is printed on a ballot; [or]

(C) A public office holder against whom a recall petition has been completed and filed; or

(D) For purposes of sections 7 to 18 of this 2005 Act, a public officer against whom a prospective recall petition has been filed and not expired under ORS 249.875.

(b) For purposes of this section and ORS 260.035 to 260.156, “candidate” does not include a candidate for the office of precinct committeeperson.

(3) “Candidate survey” means a publication:

(a) **That shows the positions of candidates for nomination or election to a public office on selected bills, proposals or issues;**

(b) **That has been provided by the sponsor of the publication to candidates in manner that allows candidates a reasonable time to respond;**

(c) **That consists of the questions posed and the responses of all responding candidates; and**

(d) **That may include descriptions of the bills, proposals or issues and the positions on the bills, proposals or issues taken by the sponsor of the publication.**

[(2)] (4) **“Committee director” means any person who directly and substantially participates in decision-making on behalf of a political committee concerning the solicitation or expenditure of funds and the support of or opposition to candidates or measures. The officers of a political party shall be considered the directors of any political party committee of that party, unless otherwise**

1 provided in the party's bylaws.

2 [(3)(a)] (5)(a) Except as provided in ORS 260.007 and section 7 of this 2005 Act, "contribute"
3 or "contribution" includes:

4 (A) The payment, loan, gift, forgiving of indebtedness, or furnishing without equivalent compen-
5 sation or consideration, of money, services other than personal services for which no compensation
6 is asked or given, supplies, equipment or any other thing of value:

7 (i) For the purpose of influencing an election for public office or an election on a measure, or
8 of reducing the debt of a candidate for nomination or election to public office or the debt of a pol-
9 itical committee; or

10 (ii) To or on behalf of a candidate, political committee or measure; and

11 (B) Any unfulfilled pledge, subscription, agreement or promise, whether or not legally enforcea-
12 ble, to make a contribution.

13 (b) Regarding a contribution made for compensation or consideration of less than equivalent
14 value, only the excess value of it shall be considered a contribution.

15 (6) "Coordinated expenditure" means:

16 (a) An expenditure made by a person and coordinated with a candidate, principal cam-
17 paign committee, political committee or political party committee;

18 (b) An expenditure made with the cooperation of, with the prior consent of, in consulta-
19 tion with or at the request or suggestion of a candidate, principal campaign committee, pol-
20 itical committee or political party committee or its agent;

21 (c) An expenditure for the production, dissemination, distribution or publication of any
22 broadcast or any written, graphic or other form of political advertising or campaign com-
23 munication prepared by or for a candidate, principal campaign committee, political commit-
24 tee or political party committee or its agent;

25 (d) An expenditure based on information provided to the person making the expenditure
26 by a candidate, principal campaign committee, political committee or political party com-
27 mittee or its agent about the plans, projects or needs of the candidate, principal campaign
28 committee, political committee or political party committee; or

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

31 (A) Has served as a member, employee, fundraiser, agent or advisor to the candidate,
32 principal campaign committee, political committee or political party committee;

33 (B) Has received any form of compensation or reimbursement from the candidate, prin-
34 cipal campaign committee, political committee or political party committee or its agent; or

35 (C) Has retained the professional services of any person who has provided campaign-
36 related services to the candidate, principal campaign committee, political committee or poli-
37 tical party committee.

38 [(4)] (7) "County clerk" means the county clerk or the county official in charge of elections.

39 (8) "Dominant contributor" means a person who contributes more than \$500 during an
40 election period to any candidate, principal campaign committee, political committee, political
41 party committee or person making independent expenditures.

42 (9) "Election cycle" means the period of time between one general election and the next
43 general election, including the primary election or other nominating election to select can-
44 didates. For an election other than the general election, "election cycle" means the period
45 of time between an election at which a candidate is elected and the next election for that

1 same office, not including any intervening primary or nominating election, any recall election
 2 or any special election called to fill vacancies.

3 (10) "Election period" means:

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

6 (b) The period beginning the day after a primary election and ending on the day of the
 7 next general election;

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

10 (d) For a recall election:

11 (A) The period beginning the day that the prospective recall petition is approved for cir-
 12 culation and ending on the day that the completed recall petition is filed; and

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

15 (11) "Electioneering communication" means communication that:

16 (a) Is distributed within 30 days before regular ballots are distributed to voters in a pri-
 17 mary election or 60 days before regular ballots are distributed to voters in a general election
 18 or any other election at which a candidate for public office is elected;

19 (b) Unambiguously refers to a candidate for nomination or election at that election or
 20 to a political party with at least one candidate for nomination or election at that election;

21 (c) Is distributed so as to include electors who are eligible to vote for the candidate or
 22 for one or more of the candidates of the political party referred to in paragraph (b) of this
 23 subsection;

24 (d) Is distributed by means of payment to any communication medium, including tele-
 25 vision, radio, magazines, newspapers, outdoor advertising, direct mail, door-to-door delivery
 26 or any other medium that receives actual or promised payment from the sponsor of the
 27 communication in an amount exceeding \$1,000 for distributing one or more communications;
 28 and

29 (e) Does at least one of the following:

30 (A) Includes the candidate's image;

31 (B) Refers to the candidate's prior or current position on a public policy issue, including
 32 votes, statements or actions, or the position of the political party of the candidate, when the
 33 position has been raised in any public communication as distinguishing the candidate from
 34 other candidates for the same nomination or office;

35 (C) Refers to the candidate's personal history or activities, when the history or activities
 36 have been raised in any public communication as distinguishing the candidate from other
 37 candidates for the same nomination or office; or

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

40 [(5)] (12) "Elector" means an individual qualified to vote under section 2, Article II of the
 41 Oregon Constitution.

42 [(6)] (13) Except as provided in ORS 260.007 and section 7 of this 2005 Act, "expend" or "ex-
 43 penditure" includes the payment or furnishing of money or anything of value or the incurring or
 44 repayment of indebtedness or obligation by or on behalf of a candidate, political committee or person
 45 in consideration for any services, supplies, equipment or other thing of value performed or furnished

1 for any reason, including support of or opposition to a candidate, political committee or measure,
 2 or for reducing the debt of a candidate for nomination or election to public office. "Expenditure"
 3 also includes contributions made by a candidate or political committee to or on behalf of any other
 4 candidate or political committee.

5 **(14) "Express advocacy communication" means a communication to electors that ex-**
 6 **pressly advocates the election or defeat of one or more clearly identified candidates, includ-**
 7 **ing but not limited to expressions such as "vote for," "vote against," "elect," "re-elect,"**
 8 **"retain," "return," "choose," "defeat," "reject," "send home," "support," "oppose," "should**
 9 **be in office," "should not be in office" or "deserves your vote."**

10 [(7)] **(15) "Filing officer" means:**

11 (a) The Secretary of State, regarding a candidate for any state office or any office to be voted
 12 for in the state at large or in a congressional district or regarding a measure to be voted on in the
 13 state at large.

14 (b) The county clerk, regarding a candidate for any county office or any district or precinct of-
 15 fice within the county, or regarding a measure to be voted for in one county or in a district situated
 16 wholly within one county.

17 (c) The chief city elections officer, regarding a candidate for any city office, or a measure to
 18 be voted for in a city only.

19 (d) The county clerk of the county in which the office of the chief administrative officer or ad-
 20 ministrative board is located regarding a candidate for office for any district or regarding a measure
 21 to be voted on in a district, when the district is situated in more than one county.

22 (e) In the case of an irrigation district formed under ORS chapter 545:

23 (A) The county clerk, regarding any candidate for office or any measure at an irrigation district
 24 formation election where the proposed district is situated wholly in one county;

25 (B) The county clerk of the county in which the office of the secretary of the proposed irrigation
 26 district will be located, regarding any candidate for office or any measure at an irrigation district
 27 formation election where the proposed district is situated in more than one county; or

28 (C) The secretary of the irrigation district for any election other than an irrigation district
 29 formation election.

30 [(8) "*Independent expenditure*" means an expenditure by a person for a communication expressly
 31 advocating the election or defeat of a clearly identified candidate that is not made with the cooperation
 32 or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or
 33 any agent or authorized committee of the candidate. As used in this subsection:]

34 [(a) "*Agent*" means any person who has:]

35 [(A) *Actual oral or written authority, either express or implied, to make or to authorize the making*
 36 *of expenditures on behalf of a candidate; or]*

37 [(B) *Been placed in a position within the campaign organization where it would reasonably appear*
 38 *that in the ordinary course of campaign-related activities the person may authorize expenditures.]*

39 [(b) "*Clearly identified*" means:]

40 [(A) *The name of the candidate involved appears;*]

41 [(B) *A photograph or drawing of the candidate appears; or]*

42 [(C) *The identity of the candidate is apparent by unambiguous reference.]*

43 [(c) "*Expressly advocating*" means any communication containing a message advocating election
 44 or defeat, including but not limited to the name of the candidate, or expressions such as "vote for,"
 45 "elect," "support," "cast your ballot for," "vote against," "defeat" or "reject."]

1 *[(d) “Made with the cooperation or with the prior consent of, or in consultation with, or at the re-*
 2 *quest or suggestion of, a candidate or any agent or authorized committee of the candidate”:]*

3 *[(A) Means any arrangement, coordination or direction by the candidate or the candidate’s agent*
 4 *prior to the publication, distribution, display or broadcast of the communication. An expenditure shall*
 5 *be presumed to be so made when it is:]*

6 *[(i) Based on information about the candidate’s plans, projects or needs provided to the expending*
 7 *person by the candidate or by the candidate’s agent, with a view toward having an expenditure made;*
 8 *or]*

9 *[(ii) Made by or through any person who is or has been authorized to raise or expend funds, who*
 10 *is or has been an officer of a political committee authorized by the candidate or who is or has been*
 11 *receiving any form of compensation or reimbursement from the candidate, the candidate’s principal*
 12 *campaign committee or agent; and]*

13 *[(B) Does not include providing to the expending person upon request a copy of this chapter or any*
 14 *rules adopted by the Secretary of State relating to independent expenditures.]*

15 **(16) “Independent expenditure” means an expenditure, by a person other than a principal**
 16 **campaign committee, on an express advocacy communication or on an electioneering com-**
 17 **munication and that is not a coordinated expenditure.**

18 *[(9)] (17) “Initiative petition” means a petition to initiate a measure for which a prospective*
 19 *petition has been filed but that is not yet a measure.*

20 *[(10)] (18) “Judge” means judge of the Supreme Court, Court of Appeals, circuit court or the*
 21 *Oregon Tax Court.*

22 *[(11)] (19) “Mass mailing” means more than 200 substantially similar pieces of mail, but does*
 23 *not include a form letter or other mail that is sent in response to an unsolicited request, letter or*
 24 *other inquiry.*

25 *[(12)] (20) “Measure” includes any of the following submitted to the people for their approval*
 26 *or rejection at an election:*

- 27 (a) A proposed law.
- 28 (b) An Act or part of an Act of the Legislative Assembly.
- 29 (c) A revision of or amendment to the Oregon Constitution.
- 30 (d) Local, special or municipal legislation.
- 31 (e) A proposition or question.

32 **(21) “Membership organization” means a nonprofit organization:**

33 **(a) That has individual members who have paid dues to join or maintain membership in**
 34 **the organization; and**

35 **(b) That is incorporated or unincorporated but not formed or operated for the purpose**
 36 **of commercial enterprise.**

37 *[(13)] (22) “Occupation” means the nature of an individual’s principal business or, if the indi-*
 38 *vidual is employed by another person, the nature of the individual’s principal business or the busi-*
 39 *ness name and address of the employer.*

40 **(23) “Officeholder scorecard” means a publication that:**

41 **(a) Shows the votes on selected bills or proposals of all of the members of a government**
 42 **body that takes recorded votes; and**

43 **(b) May include descriptions of the bills or proposals and the positions on the bills or**
 44 **proposals of the person publishing the scorecard.**

45 *[(14)] (24) “Person” means an individual, corporation, limited liability company, labor [organ-*

1 *ization*] **union**, association, firm, partnership, joint stock company, club, organization or other com-
 2 bination of individuals having collective capacity.

3 [(15)(a)] **(25)(a) Except as provided in section 7 of this 2005 Act**, “political committee” means
 4 a combination of two or more individuals, or a person other than an individual, that has:

5 (A) Received a contribution for the purpose of supporting or opposing a candidate, measure or
 6 political party; or

7 (B) Made an expenditure for the purpose of supporting or opposing a candidate, measure or
 8 political party.

9 (b) For purposes of paragraph (a)(B) of this subsection, an expenditure does not include:

10 (A) A contribution to a candidate or political committee that is required to report the contri-
 11 bution on a statement filed under ORS 260.058, 260.063, 260.068, 260.073, 260.076 or 260.102 or sec-
 12 tion 6, chapter 542, Oregon Laws 2003, or a certificate filed under ORS 260.112; or

13 (B) An independent expenditure for which a statement is required to be filed by a person under
 14 ORS 260.044 (1).

15 **(26) “Political nonprofit organization” means a nonprofit corporation or association that:**

16 **(a) Was formed for the express purpose of promoting political ideas;**

17 **(b) Was not formed by one or more business entities or labor unions;**

18 **(c) Does not engage in business activities except those incidental to its political purpose;**

19 **(d) Has no shareholders or other individuals or entities affiliated with the nonprofit or-**
 20 **ganization so as to have a claim on the assets or income of the nonprofit organization;**

21 **(e) Does not serve as a conduit for contributions or expenditures by corporations, other**
 22 **business entities or labor unions;**

23 **(f) Has not, directly or indirectly, accepted any donation of money or any thing of value,**
 24 **including discounts on products or services, from any corporation, other business entity or**
 25 **labor union; and**

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

28 **(27) “Political party committee” means a political committee established by a major or**
 29 **minor political party as described in ORS 248.006 or 248.008 or by assembly of electors quali-**
 30 **fied under ORS 249.735 to nominate candidates for election to public office.**

31 **(28) “Prominently disclose” means:**

32 **(a) Comprehensible to a person with average reading, vision and hearing abilities;**

33 **(b) If printed material, printed in at least 8-point type;**

34 **(c) If video material, readable on the regular screen, other than closed captioning, for a**
 35 **sufficient time to be read by a person with average vision and reading ability; and**

36 **(d) If auditory material, spoken at a maximum rate of five words per second.**

37 [(16)] **(29) “Public office” means any national, state, county, district, city office or position, ex-**
 38 **cept a political party office, that is filled by the electors.**

39 [(17)] **(30) “Recall petition” means a petition to recall a public officer for which a prospective**
 40 **petition has been filed but that is not yet a measure.**

41 [(18)] **(31) “Referendum petition” means a petition to refer a measure for which a prospective**
 42 **petition has been filed but that is not yet a measure.**

43 [(19)] **(32) “Slate mailer” means a mass mailing that supports or opposes a total of three or more**
 44 **candidates or measures.**

45 [(20)(a)] **(33)(a) “Slate mailer organization” means, except as provided in paragraph (b) of this**

1 subsection, any person who directly or indirectly:

2 (A) Is involved in the production of one or more slate mailers and exercises control over the
3 selection of the candidates and measures to be supported or opposed in the slate mailers; and

4 (B) Receives or is promised payment for producing one or more slate mailers or for endorsing
5 or opposing, or refraining from endorsing or opposing, a candidate or measure in one or more slate
6 mailers.

7 (b) Notwithstanding paragraph (a) of this subsection, "slate mailer organization" does not in-
8 clude:

9 (A) A political committee organized by a political party; or

10 (B) A political committee organized by the caucus of either the Senate or the House of Repre-
11 sentatives of the Legislative Assembly.

12 **(34) "Small campaign items" means:**

13 **(a) Small items worn or carried by individuals, including, but not limited to, buttons,**
14 **pins, stickers, bracelets and pens;**

15 **(b) Signs smaller than six square feet;**

16 **(c) A communication where the required prominent disclosure would violate any federal**
17 **law or regulation; or**

18 **(d) A distribution of 100 or fewer substantially similar pieces of literature.**

19 **(35) "Small donor committee" means a political committee that:**

20 **(a) Accepts contributions only from individuals; and**

21 **(b) Does not accept contributions from individuals that exceed an aggregate amount of**
22 **\$50 per calendar year.**

23 [(21)] **(36) "State office" means the office of Governor, Secretary of State, State Treasurer, At-**
24 **torney General, Commissioner of the Bureau of Labor and Industries, Superintendent of Public In-**
25 **struction, state Senator, state Representative, judge or district attorney.**

26 **SECTION 5. ORS 260.007 is amended to read:**

27 260.007. [*As used in this chapter, "contribute," "contribution," "expend" or "expenditure" does not*
28 *include:*]

29 [(1) *Any written news story, commentary or editorial distributed through the facilities of any*
30 *broadcasting station, newspaper, magazine or other regularly published publication, unless a political*
31 *committee owns the facility;*]

32 [(2) *An individual's use of the individual's own personal residence, including a community room*
33 *associated with the individual's residence, to conduct a reception for a candidate or political committee,*
34 *and the individual's cost of invitations, food and beverages provided at the reception;*]

35 [(3) *A vendor's sale of food and beverages for use in a candidate's or political committee's cam-*
36 *pany at a charge less than the normal comparable charge, if the charge is at least equal to the cost*
37 *of the food or beverages to the vendor;*]

38 [(4) *Any unreimbursed payment for travel expenses an individual, including a candidate, makes*
39 *on behalf of a candidate or political committee;*]

40 [(5) *Any loan of money made by a financial institution as defined in ORS 706.008, other than any*
41 *overdraft made with respect to a checking or savings account, if the loan bears the usual and customary*
42 *interest rate for the category of loan involved, is made on a basis that assures repayment, is evidenced*
43 *by a written instrument and is subject to a due date or amortization schedule. However, each indorser*
44 *or guarantor of the loan shall be considered to have contributed that portion of the total amount of the*
45 *loan for which that person agreed to be liable in a written agreement, except if the indorser or*

1 *guarantor is the candidate's spouse;]*

2 *[(6) Nonpartisan activity designed to encourage individuals to vote or to register to vote;]*

3 *[(7) Any communication a membership organization or corporation makes to its members, share-*
 4 *holders or employees if the membership organization or corporation is not organized primarily for the*
 5 *purpose of influencing an election to office;]*

6 *[(8) The payment of compensation for legal and accounting services rendered to a candidate or*
 7 *political committee if the person paying for the services is the regular employer of the individual ren-*
 8 *dering the services and the services are solely for the purpose of insuring compliance with the pro-*
 9 *visions of this chapter; and]*

10 *[(9) The payment by a state or local committee of a political party of the costs of preparation, dis-*
 11 *play or mailing or other distribution incurred by the committee with respect to a printed slate card or*
 12 *sample ballot, or other printed listing, of three or more candidates for any public office for which an*
 13 *election is held in this state. This subsection does not apply to costs incurred by the committee with*
 14 *respect to a display of any such listing made on broadcasting stations or in newspapers, magazines or*
 15 *similar types of general public political advertising.]*

16 **As used in this chapter, “contribute,” “contribution,” “expend” and “expenditure” do not**
 17 **include:**

18 **(1) Volunteer personal services, including services provided by the candidate, for which**
 19 **no compensation is asked or given, including unreimbursed travel expenses incidental to the**
 20 **services;**

21 **(2) Any bona fide news story, commentary or editorial distributed through the facilities**
 22 **of any media organization, including any television or radio station, newspaper, magazine or**
 23 **other regularly published periodical, if the media organization:**

24 **(a) Is not paid by any person for distributing the news story, commentary or editorial,**
 25 **apart from normal advertisers;**

26 **(b) Is not owned or controlled by one or more candidates, political committees or political**
 27 **parties; and**

28 **(c) Does not distribute the news story, commentary or editorial to electors by unsolicited**
 29 **mailings or other means of distribution not sought by the recipient, including any paid ad-**
 30 **vertisement in any other medium;**

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

33 **(4) Communication to its members, and not to the public, by a membership organization**
 34 **not organized primarily for the purpose of influencing the outcome of elections for the**
 35 **nomination or election of a candidate for public office, including communication of an**
 36 **officeholder scorecard or candidate survey;**

37 **(5) Production and distribution by paper or electronic format, but not by paid advertising**
 38 **on television or radio, to the public at a cost of less than \$20,000 of an officeholder scorecard**
 39 **or candidate survey; or**

40 **(6) Funds provided to a principal campaign committee by entities of government pursuant**
 41 **to a system of public funding.**

42 **SECTION 6. Sections 7 to 18 of this 2005 Act are added to and made a part of ORS**
 43 **chapter 260.**

44 **SECTION 7. As used in sections 7 to 18 of this 2005 Act:**

45 **(1) “Contribution” or “contribute” means:**

1 (a) The payment, loan, gift, forgiving of indebtedness or furnishing without equivalent
 2 compensation or consideration of money, services, supplies, equipment or any other thing
 3 of value to, on behalf of or for reducing the debt of a candidate, principal campaign com-
 4 mittee, political committee or political party committee; and

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

7 (2) "Expenditure" or "expend" means:

8 (a) The payment or furnishing to anyone of money or any other thing of value in con-
 9 sideration for any services, supplies, equipment or other thing of value performed or fur-
 10 nished for any reason, or the incurring or repayment of indebtedness or obligation, including
 11 the creation of an account payable:

12 (A) For the purpose of influencing the nomination or election of a candidate for public
 13 office; or

14 (B) By, on behalf of or for reducing the debt of a candidate, principal campaign commit-
 15 tee, political committee, political party committee or person making independent expen-
 16 ditures; and

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

19 (3)(a) "Political committee" means a person, other than an individual, or any combination
 20 of individuals or persons that in any calendar year receives a contribution in an amount ex-
 21 ceeding \$200 or makes an expenditure in an amount exceeding \$1,000 to support or oppose
 22 one or more candidates or political parties.

23 (b) "Political committee" does not include a principal campaign committee or any com-
 24 mittee that does not support or oppose one or more candidates or political parties.

25 **SECTION 8.** (1) A corporation or labor union may not make any contribution to a prin-
 26 cipal campaign committee, political committee or political party committee.

27 (2) Except as specifically allowed in sections 7 to 18 of this 2005 Act, a person may not
 28 make a contribution to a principal campaign committee, political committee or political
 29 party.

30 (3) A principal campaign committee, political committee, political party committee or
 31 other person may not accept a contribution or make a contribution or expenditure in vio-
 32 lation of any provision of sections 7 to 18 of this 2005 Act.

33 (4) During an election period, an individual may not contribute an aggregate amount ex-
 34 ceeding:

35 (a) \$500 to a candidate for statewide public office.

36 (b) \$100 to a candidate for any other public office.

37 (5) During a calendar year, an individual may not contribute an aggregate amount ex-
 38 ceeding:

39 (a) \$50 to a small donor committee.

40 (b) \$500 to any other political committee, other than a principal campaign committee or
 41 a political party.

42 (c) \$2,000 to a political party committee.

43 (d) \$2,500 to all principal campaign committees, political committees, small donor com-
 44 mittees, political parties and political nonprofit organizations.

45 (6) During an election period, a political committee, other than a small donor committee

1 or a political party committee, may not contribute an aggregate amount exceeding:

2 (a) \$2,000 to a candidate for statewide public office.

3 (b) \$400 to a candidate for any other public office.

4 (7) During a calendar year, a political committee, other than a small donor committee
5 or a political party committee, may not contribute an aggregate amount exceeding \$2,000 to
6 a political party, including all subdivisions of the political party.

7 (8) A small donor committee may contribute any amount to a principal campaign com-
8 mittee, other political committee or political party.

9 (9) During an election period, a political party committee may not contribute and aggre-
10 gate amount exceeding:

11 (a) \$50,000 to a candidate for statewide public office.

12 (b) \$10,000 to a candidate for any other public office.

13 (10) For purposes of this section, a contribution to a candidate includes a contribution
14 to the candidate's principal campaign committee.

15 (11) During an election period, an individual who is at least 12 years of age, but under
16 16 years of age, may not contribute an aggregate amount exceeding:

17 (a) \$50 to any principal campaign committee, political committee, or political party; or

18 (b) \$500 to all candidates, political committees and political parties.

19 (12) An individual under 12 years of age may not contribute to a candidate, political
20 committee or political party committee.

21 (13) A political committee organized exclusively to support or oppose a measure, and that
22 receives a contribution or makes an expenditure in an aggregate amount exceeding \$200 in
23 any calendar year, may not make contributions or expenditures supporting or opposing any
24 candidate for nomination or election to public office during the calendar year.

25 (14) A membership organization may transfer to one small donor committee not more
26 than 40 percent of the dues paid by each individual member of the organization. A member-
27 ship organization may not transfer more than \$50 per individual member per calendar year.
28 Transfers made under this subsection count as contributions from each individual dues-
29 paying member, but do not count against the aggregate limit specified in subsection (5)(d)
30 of this section.

31 (15) This section does not apply to contributions to candidates for nomination or election
32 to federal office.

33 **SECTION 9.** (1) Except as provided in subsection (7) of this section, during an election
34 period:

35 (a) A candidate for statewide public office may not contribute an aggregate amount ex-
36 ceeding \$50,000 from the candidate's personal funds to the candidate.

37 (b) A candidate for any other public office may not contribute an aggregate amount ex-
38 ceeding \$10,000 from the candidate's personal funds to the candidate.

39 (c) If a candidate is not the incumbent for the public office sought, the candidate may
40 contribute from the candidate's personal funds to the candidate an additional aggregate
41 amount that does not exceed 50 percent of the applicable limit specified in paragraph (a) or
42 (b) of this subsection.

43 (2) During an election cycle, if a candidate has contributed an aggregate amount ex-
44 ceeding \$5,000 from the candidate's personal funds to the candidate:

45 (a) For the remainder of the election cycle, the candidate shall file a statement of con-

1 tributions received with the filing officer not later than three business days after the candi-
 2 date receives a contribution. The statement shall include the information required under
 3 ORS 260.083 with respect to contributions.

4 (b) Every communication for which the candidate makes an expenditure shall promi-
 5 nently disclose the name of the candidate and the amount that the candidate has contributed
 6 from the candidate's personal funds to the candidate during the election cycle. The infor-
 7 mation required to be disclosed under this paragraph shall be current to within 10 days of
 8 the printing of printed material or within five days of the transmitting of a video or audio
 9 communication. This paragraph does not apply to communications that are small campaign
 10 items.

11 (3) If the provisions of subsection (1) of this section are not in effect, during an election
 12 period, an individual or political committee may make contributions to a candidate in an
 13 amount described in subsection (4) of this section if, during the election period, an opposing
 14 candidate for the same nomination or office contributes from the opposing candidate's per-
 15 sonal funds to the opposing candidate an aggregate amount exceeding:

16 (a) \$50,000 in the case of a candidate for nomination or election to statewide office.

17 (b) \$10,000 in the case of a candidate for nomination or election to any other public office.

18 (4) An individual or political committee may make a contribution under subsection (3)
 19 of this section in an amount equal to the amount of the applicable contribution limit specified
 20 in section 8 (4) to (9) increased by a factor equal to the amount contributed by the opposing
 21 candidate to the opposing candidate, divided by the applicable amount specified in subsection
 22 (3) of this section, but not less than a factor of two.

23 (5) If, during an election period, a candidate contributes from the candidate's personal
 24 funds to the candidate an amount exceeding an applicable amount specified in subsection (3)
 25 of this section, the filing officer who receives statements under subsection (2) of this section
 26 shall immediately notify in writing all other candidates for the same nomination or office.

27 (6) The contribution limits specified in section 8 of this 2005 Act are modified as specified
 28 in this section on the date the written notice is given under subsection (5) of this section.

29 (7) A candidate may not make a loan from the candidate's personal funds to the candi-
 30 date's principal campaign committee.

31 (8) If subsection (7) of this section is not in effect, every loan by a candidate to the
 32 candidate's principal campaign committee that has not been repaid at the close of the
 33 election period is considered a contribution and may not be repaid to the candidate from
 34 moneys remaining in the principal campaign committee.

35 (9) For purposes of this section:

36 (a) An expenditure by a candidate relating to the candidate's nomination or election to
 37 public office is considered a contribution to the candidate's principal campaign committee
 38 and an expenditure by the principal campaign committee.

39 (b) A contribution to a candidate includes a contribution to the candidate's principal
 40 campaign committee.

41 (10) This section does not apply to contributions to candidates for nomination or election
 42 to federal office.

43 **SECTION 10.** (1) A principal campaign committee, political committee or political party
 44 may not make an expenditure to support or oppose a candidate in violation of any provision
 45 of sections 7 to 18 of this 2005 Act.

1 (2) A coordinated expenditure is considered:

2 (a) A contribution to the candidate, principal campaign committee, political committee
3 or political party committee by the person making the expenditure; and

4 (b) An expenditure by the candidate, principal campaign committee, political committee
5 or political party committee.

6 (3) A candidate or political party may seek a determination that an expenditure is a co-
7 ordinated expenditure benefitting an opposing candidate or political party by filing a petition
8 with the circuit court of the county in which the candidate resides or in which the expendi-
9 ture was made. The court shall schedule the petition for hearing not later than the third
10 business day after its filing and service upon the opposing candidate or political party. The
11 court shall give precedence on its docket to petitions filed under this section as circum-
12 stances may require.

13 (4) This section does not apply to contributions to or expenditures by candidates for
14 nomination or election to federal office.

15 **SECTION 11.** For purposes of the contribution and expenditure limits and prohibitions
16 described in sections 7 to 18 of this 2005 Act:

17 (1) All political committees, except small donor committees, established, financed, main-
18 tained or controlled by the same corporation or its affiliates or subsidiaries, or substantially
19 the same group of corporations, are treated as a single political committee.

20 (2) All political committees established by the same labor organization unit at any level,
21 provided that the unit has authority to make an independent decision as to which candidates
22 to support or oppose, are treated as a single political committee.

23 (3) All political committees established by substantially the same group of persons or
24 combinations of persons are treated as a single political committee.

25 (4) All political committees established by the same political party or subdivision of a
26 political party are treated as a single political party committee.

27 (5) This section does not apply to candidates for nomination or election to federal office.

28 **SECTION 12.** (1) A corporation or labor union may not make an independent expenditure
29 to support or oppose a candidate or political party.

30 (2) A person may not make an independent expenditure to support or oppose any candi-
31 date or political party, in violation of sections 7 to 18 of this 2005 Act.

32 (3) In a calendar year:

33 (a) An individual may not make independent expenditures in an aggregate amount ex-
34 ceeding \$10,000.

35 (b) Notwithstanding paragraph (a) of this subsection, an individual may make additional
36 independent expenditures to support or oppose a candidate if an opposing candidate for the
37 same nomination or office has reported making a contribution from the opposing candidate's
38 personal funds to the opposing candidate's principal campaign committee under section 9 of
39 this 2005 Act. An individual may make additional independent expenditures under this para-
40 graph in an aggregate amount that does not exceed 20 percent of the amount reported by the
41 opposing candidate under section 9 of this 2005 Act.

42 (4) In a calendar year, an individual who is at least 12 years of age, but under 16 years
43 of age, may not may not make independent expenditures in an aggregate amount exceeding
44 \$500.

45 (5) An individual under 12 years of age may not make an independent expenditure.

1 (6) Political committees, including small donor committees, and political parties may
 2 make independent expenditures from amounts received in compliance with the provisions of
 3 sections 7 to 18 of this 2005 Act.

4 (7) A political nonprofit organization may make independent expenditures from its or-
 5 ganizational treasury if:

6 (a) The organization makes expenditures only from funds contributed to the organization
 7 by individuals in amounts that comply with the limits applicable to contributions from an
 8 individual to a political committee; and

9 (b) The organization reports the expenditures in compliance with the disclosure and re-
 10 porting requirements of subsections (8) to (10) of this section.

11 (8) If a person makes independent expenditures in an amount exceeding \$2,000 during the
 12 accounting period described in this subsection, every communication disseminated by the
 13 person after the \$2,000 threshold is exceeded shall prominently disclose the name, primary
 14 business and amount contributed by each person during the election cycle who has contrib-
 15 uted to the person an amount that is equal to or greater than the amount contributed by the
 16 fifth largest dominant contributor to the person during the election cycle. The accounting
 17 period begins on the date of the most recent general election before an independent expend-
 18 iture was made and ends on the date that the \$2,000 threshold is exceeded. The information
 19 required to be disclosed under this subsection shall be current to within 10 days of the
 20 printing of printed material or within five days of the transmitting of a video or audio com-
 21 munication. This subsection does not apply to communications that are small campaign
 22 items.

23 (9) In addition to the reporting requirements set forth in ORS chapter 260, a person that
 24 makes one or more independent expenditures in an aggregate amount exceeding \$1,000 during
 25 an election cycle shall report the expenditures and the sources of funding for those expen-
 26 ditures in the same manner and schedule as a political committee must report such contri-
 27 butions and expenditures under ORS chapter 260.

28 (10) A person that makes an independent expenditure in an amount exceeding \$5,000 shall
 29 report the expenditure and the sources of funding for the expenditure to the appropriate
 30 filing officer not later than five business days after the expenditure is made.

31 (11) This section does not apply to candidates for nomination or election to federal office.

32 **SECTION 13.** (1) Subject to subsection (2) of this section, a corporation, other business
 33 entity or labor union may establish and administer a separate political committee.

34 (2) A political committee established under subsection (1) of this section:

35 (a) Shall consist solely of voluntary contributions from the employees, officers, share-
 36 holders or members of the organization within the limits established by section 8 of this 2005
 37 Act for contributions by individuals to a political committee;

38 (b) Shall file a statement of organization under ORS 260.042 and comply with all laws
 39 pertaining to political committees; and

40 (c) Shall include in any solicitation for contributions directed to the political committee
 41 a statement that contributions are not required and that an individual's response will not
 42 affect the individual's employment, will remain confidential and will not be provided to the
 43 individual's supervisors or managers.

44 (3) A corporation, other business entity or labor union that establishes a political com-
 45 mittee under this section may not use more than \$500 per calendar year of treasury funds

1 to create and administer the committee. Amounts expended under this subsection shall be
 2 reported as contributions to the committee.

3 (4) This section does not apply to candidates for nomination or election to federal office.

4 **SECTION 14.** (1) The Secretary of State shall establish and maintain a political contri-
 5 bution handle registration system.

6 (2) A person may apply to the secretary for assignment of a political contribution handle.
 7 A handle shall consist of a simple, unique combination of letters and numbers for each per-
 8 son.

9 (3) An application for a political contribution handle shall identify:

10 (a) An applicant who is an individual by name, residence address, year of birth, occupa-
 11 tion and employer; or

12 (b) An applicant who is a person other than an individual by name, type of business en-
 13 tity, business address, business phone number, business Internet address, if any, and all
 14 types of business in which the person engages.

15 (4) Upon receipt of a completed application, the secretary shall issue the applicant a
 16 political contribution handle.

17 (5) A person who makes an aggregate amount of contributions exceeding \$500 in an
 18 election cycle shall obtain a political contribution handle and provide the handle to the re-
 19 cipient of any subsequent contribution made by the person.

20 (6) Any person issued a political contribution handle under this section shall update the
 21 information listed on the person's application on file with the secretary not later than 30
 22 days after any change to the information.

23 **SECTION 15.** A corporation, other person or employer may not, directly or indirectly:

24 (1) Require any employee or contractor to make any contribution or independent ex-
 25 penditure to support or oppose any candidate; or

26 (2) Provide or promise any benefit or impose or threaten any detriment because an em-
 27 ployee or contractor did or did not make a contribution or expenditure to support or oppose
 28 any candidate.

29 **SECTION 16.** (1) Except as provided in subsection (2) of this section, a candidate for
 30 public office in an election cycle who has an unexpended balance on contributions at the end
 31 of the election cycle shall transfer the unexpended contributions to the Secretary of State.
 32 The candidate shall transfer the unexpended contributions not later than 60 days after the
 33 end of the election cycle.

34 (2) A candidate may retain an amount of unexpended contributions that the candidate
 35 determines is necessary to pay the obligations of the principal campaign committee and to
 36 terminate its operations. A candidate elected to office as a state Senator or state Represen-
 37 tative may not retain more than \$10,000 of the unexpended contributions for use for office
 38 expenses during the immediately following regular session of the Legislative Assembly.

39 (3) This section does not apply to candidates for nomination or election to federal office.

40 **SECTION 17.** (1) Except as provided in subsections (2) and (3) of this section, the Secre-
 41 tary of State or Attorney General may impose a civil penalty under ORS 260.995 for each
 42 violation of section 8, 9, 10, 11, 12, 13, 14, 15 or 16 of this 2005 Act.

43 (2) The Secretary of State or Attorney General may impose a civil penalty in an amount
 44 that is not less than five times the amount of the contribution or expenditure made in excess
 45 of the applicable limit or prohibition, and not more than 20 times the amount of the contri-

1 bution or expenditure made in excess of the applicable limit or prohibition.

2 (3) Any person subjected to a violation of section 13 (2)(c) or 15 of this 2005 Act has civil
3 cause of action against the violator and shall, upon proof of violation, recover damages in
4 an amount of not less than \$50,000 per incident of violation.

5 (4) A elector may enforce the provisions sections 7 to 18 of this 2005 Act by bringing a
6 civil action in a representative capacity for the collection of the civil penalty described in
7 subsection (2) of this section, payable to this state. A civil action may be brought under this
8 subsection only if:

9 (a) The elector notifies the Secretary of State and Attorney General 30 days before the
10 filing the civil action; and

11 (b) At the end of the 30-day period, neither the Secretary of State or Attorney General
12 has brought an enforcement action covering the same claim.

13 **SECTION 18.** (1) If, in the absence of this section, there would be entered in any court
14 any order impairing the effectiveness of any provision of this 2005 Act on the ground that
15 any of the numeric limits or thresholds, percentage limits or thresholds, time periods or age
16 limits specified this 2005 Act conflict with the United States Constitution or Oregon Consti-
17 tution, then the Legislative Assembly hereby:

18 (a) Increases the conflicting numeric limit or threshold by increments of \$100 as many
19 times as necessary to render it consistent with the United States Constitution or Oregon
20 Constitution;

21 (b) Increases the conflicting percentage limit or threshold by increments of one percent
22 as many times as necessary to render it consistent with the United States Constitution or
23 Oregon Constitution;

24 (c) Increases or decreases the conflicting time period by increments of one day as many
25 times as necessary to render that time period consistent with the United States Constitution
26 or Oregon Constitution;

27 (d) Decreases the conflicting age limit by increments of one year as many times as nec-
28 essary to render it consistent with the United States Constitution or Oregon Constitution;
29 and

30 (e) Declares that for purposes of this section, a prohibition shall be considered a numeric
31 limit of zero.

32 (2) If, in the absence of this section, there would be entered in any court any order im-
33 pairing the effectiveness of any part of this 2005 Act on the ground that the United States
34 Constitution or Oregon Constitution requires that any type of individual or entity be wholly
35 or partially exempt from any of the prohibitions or limitations in this 2005 Act, then the
36 Legislative Assembly declares that the provisions of this 2005 Act shall be given a narrowing
37 interpretation so as to avoid invalidation of any provision of this 2005 Act and to preserve
38 its effectiveness to the maximum degree consistent with the United States Constitution or
39 Oregon Constitution.

40 **SECTION 19.** ORS 260.083, as amended by section 14, chapter 542, Oregon Laws 2003, is
41 amended to read:

42 260.083. (1) A statement filed under ORS 260.058, 260.063, 260.068, 260.073, 260.076 or 260.118 or
43 section 6, chapter 542, Oregon Laws 2003, shall list:

44 (a) Under contributions, all contributions received. Except as provided in ORS 260.085, the
45 statement:

1 (A) Shall list the name, **year of birth**, occupation, **employer** and **residence** address of each
2 person, and the name and address of each political committee, **or the political contribution handle**
3 **issued to the person or political committee under section 14 of this 2005 Act**, that contributed
4 an aggregate amount of more than \$50 on behalf of a candidate or to a political committee and the
5 total amount contributed by that person or political committee[. *The statement*]; **and**

6 (B) May list as a single item the total amount of other contributions, but shall specify how those
7 contributions were obtained.

8 (b) Under expenditures, all expenditures made, showing the name of the payee and the amount
9 and purpose of each.

10 (c) Separately, all contributions made by the candidate or political committee.

11 (d) All loans, whether repaid or not, made to the candidate or political committee. The statement
12 shall list:

13 (A) The name and address of each person shown as a cosigner or guarantor on a loan and the
14 amount of the obligation undertaken by each cosigner or guarantor[. *The statement also shall list*];
15 **and**

16 (B) The name of the lender holding the loan.

17 (2) If an expenditure in an amount exceeding \$50 is a prepayment or a deposit made in consid-
18 eration for any services, supplies, equipment or other thing of value to be performed or furnished
19 at a future date, that portion of the deposit that has been expended during the reporting period shall
20 be listed as an expenditure and the unexpended portion of the deposit shall be listed as an account
21 receivable.

22 (3) Anything of value paid for or contributed by any person shall be listed as both an in-kind
23 contribution and an expenditure by the candidate or committee for whose benefit the payment or
24 contribution was made.

25 (4) If a candidate, political committee or chief petitioner under ORS 260.118 makes an expendi-
26 ture that must be reported as an in-kind contribution and an expenditure as provided in subsection
27 (3) of this section, the candidate or political committee making the original expenditure shall, in any
28 statement filed under ORS 260.058, 260.063, 260.068, 260.073 or 260.118 or section 6, chapter 542,
29 Oregon Laws 2003, identify the expenditure as an in-kind contribution and identify the candidate or
30 political committee for whose benefit the expenditure was made.

31 (5) Except as provided in subsection (8) of this section, expenditures made by an agent of a
32 candidate or political committee on behalf of the candidate or committee shall be reported in the
33 same manner as if the expenditures had been made by the candidate or political committee.

34 (6) If a political committee makes an expenditure that qualifies as an independent expenditure
35 [*under ORS 260.005 (8)*], the listing of the expenditure under this section shall identify the candidate
36 or candidates who are the subject of the independent expenditure and state whether the independent
37 expenditure was used to advocate the election or defeat of the candidate or candidates.

38 (7) If a candidate, political committee, chief petitioner under ORS 260.118 or an agent of a can-
39 didate, political committee or chief petitioner makes an expenditure for the purpose of paying any
40 person money or other valuable consideration for obtaining signatures on an initiative, referendum
41 or recall petition, the statement described in this section shall list the total amount paid by the
42 candidate, political committee, chief petitioner or agent for the purpose of obtaining signatures. The
43 statement is not required to list the name or address of any person as payee or the amount paid to
44 any person.

45 (8)(a) A vendor who enters into a contract with a candidate or political committee to prepare

1 or produce brochures, mailings, polls, other opinion research or television, radio or newspaper ad-
 2 vertising, or to provide mail handling and postage, is not considered an agent of the candidate or
 3 political committee for purposes of subsection (5) of this section. The Secretary of State by rule may
 4 designate other specific products or services that would qualify a vendor for an exemption from re-
 5 porting under this subsection.

6 (b) *[Nothing in this section shall]* **This section does not** require a vendor described in this
 7 subsection to disclose the vendor’s internal or subcontracting costs for providing the specific prod-
 8 uct or service under paragraph (a) of this subsection.

9 **(9) The Secretary of State shall accept statements described in this section in a simple**
 10 **spreadsheet, database or electronic format. A statement submitted in a format described in**
 11 **this subsection is not required to contain separately calculated subtotals.**

12 **(10) Not later than five business days after receiving a statement filed under this section,**
 13 **the secretary shall make the statements and all political contribution handle information**
 14 **available on the Internet in an interactive database format. The format shall enable the user**
 15 **to determine the sources and amounts of reported contributions:**

16 (a) **Made by or to each principal campaign committee, political committee, political party**
 17 **and person making independent expenditures; and**

18 (b) **Made by each contributor who has contributed at an aggregate amount exceeding \$500**
 19 **during the election cycle.**

20 *[(9)]* **(11) As used in this section, “address” [shall have] has** the meaning given that term in rules
 21 adopted by the Secretary of State.

22 **SECTION 20.** ORS 260.402 is amended to read:

23 260.402. (1) *[No person shall]* **A person may not** make a contribution to any other person **or**
 24 **an expenditure**, relating to a nomination or election of any candidate or the support or opposition
 25 to any measure, in any name other than that of the person who in truth provides the contribution
 26 **or makes the expenditure.**

27 (2) *[No person shall]* **Except as provided in subsection (3) of this section, a person may not**
 28 knowingly receive *[the]* a contribution, *[or]* enter **the contribution or expenditure** or cause *[it]* **the**
 29 **contribution or expenditure** to be entered in accounts or records in another name than that of the
 30 person by whom it was actually provided **or made**. *[However, if the contribution is received from the*
 31 *treasurer of any political committee, it shall be sufficient to enter it as received from the treasurer.]*

32 (3) **If a person receives a contribution from a political committee, the person may enter**
 33 **the contribution into accounts or records as received from the political committee.**

34 **SECTION 21.** Section 22 of this 2005 Act is added to and made a part of ORS chapter 246.

35 **SECTION 22.** (1) **The Voters’ Pamphlet Operating Account is established in the State**
 36 **Treasury, separate and distinct from the General Fund.**

37 (2) **All moneys received by the Secretary of State under section 16 of this 2005 Act shall**
 38 **be paid over to the State Treasurer and deposited in the Voters’ Pamphlet Operating Ac-**
 39 **count.**

40 (3) **Moneys deposited to the credit of the Voters’ Pamphlet Operating Account are con-**
 41 **tinuously appropriated to the Secretary of State for the purpose of paying the expenses of**
 42 **carrying out the functions and duties of the Secretary of State relating to voters’ pamphlets**
 43 **under ORS chapter 251.**

44 **SECTION 23.** ORS 260.041 is amended to read:

45 260.041. (1) Notwithstanding ORS 260.005 *[(15)]* **(25)** and except as provided in ORS 260.043, a

1 candidate shall designate a political committee as the candidate's principal campaign committee. A
2 candidate may designate only one political committee as the candidate's principal campaign com-
3 mittee.

4 (2) A political committee may not be designated as the principal campaign committee of more
5 than one candidate.

6 **SECTION 24.** ORS 260.044, as amended by section 10, chapter 542, Oregon Laws 2003, is
7 amended to read:

8 260.044. (1) A person shall file a statement of expenditures made if the person makes expen-
9 ditures in a total amount of more than \$50 in support of or in opposition to a candidate, a measure
10 or a political committee.

11 (2) A statement filed under subsection (1) of this section shall be filed for the reporting period
12 described in ORS 260.063 or 260.073 during which the total amount of expenditures exceeds \$50. The
13 accounting period for the statement required by subsection (1) of this section begins on the date that
14 an expenditure is made. The statement shall specify the candidate, measure or political committee
15 supported or opposed by the expenditure. The Secretary of State by rule shall prescribe the form
16 of the statements. If a statement is filed for the reporting period for the supplement to the second
17 preelection statement, a second statement for the same expenditure does not need to be filed in the
18 post-election reporting period.

19 (3) Notwithstanding ORS 260.005 [(15)] (25), a person who solicits and receives a contribution
20 or contributions shall be a political committee and shall file a statement of organization under ORS
21 260.042 and the statements required by ORS 260.063, 260.073 or 260.076. The statements filed under
22 this subsection shall be filed for the reporting period described in ORS 260.063, 260.073 or 260.076
23 during which any contribution was received. The accounting period for the statement required by
24 this subsection begins on the date that a contribution is received.

25 (4) For purposes of this section:

26 (a) An expenditure does not include a contribution to a candidate or political committee that is
27 required to report the contribution on a statement filed under ORS 260.058, 260.063, 260.068, 260.073,
28 260.076 or 260.102 or section 6, chapter 542, Oregon Laws 2003, or a certificate filed under ORS
29 260.112;

30 (b) An expenditure does not include a contribution to a candidate who is not required to file a
31 statement of organization under ORS 260.043; and

32 (c) A person is not a political committee under subsection (3) of this section if all contributions
33 received by the person are designated to a candidate or political committee and are required to be
34 reported as contributions by a candidate or political committee on a statement filed under ORS
35 260.058, 260.063, 260.068, 260.073, 260.076 or 260.102 or section 6, chapter 542, Oregon Laws 2003,
36 or a certificate filed under ORS 260.112.

37 (5) A person shall be a principal campaign committee if the person, in preparing to become a
38 candidate in the general election, receives a contribution, receives a loan, whether repaid or not,
39 or makes an expenditure in a total amount of more than \$2,000 before the date of the primary
40 election. A person described in this subsection shall file the statements required by ORS 260.058 as
41 if the person were a candidate in the primary election. This subsection does not apply to a candi-
42 date in the primary or nominating election.

43 **SECTION 25.** ORS 260.737 is amended to read:

44 260.737. (1) A slate mailer organization shall not send a slate mailer unless all of the following
45 are satisfied:

1 (a) The name and address of the slate mailer organization shall be shown on the outside of each
2 piece of the slate mailer in a legible size and type.

3 (b) The following notice shall appear in a legible size and type at the top or bottom of the front
4 side of the slate mailer:

5 _____
6
7 NOTICE TO VOTERS
8

9 THIS DOCUMENT WAS NOT PREPARED BY A POLITICAL PARTY COMMITTEE OR PARTY
10 CAUCUS COMMITTEE.

11
12 CANDIDATES AND MEASURES MARKED WITH AN * PAID FOR APPEARANCE IN THIS
13 DOCUMENT.
14 _____

15
16 (c) Each candidate that has paid to appear in the slate mailer and each measure on whose behalf
17 payment has been received to appear in the slate mailer shall be designated by an asterisk of legible
18 size immediately following the name of the candidate or the name or number of the measure in each
19 instance where the name of the candidate or the name or number of the measure appears in the
20 slate mailer.

21 (2) The Secretary of State by rule shall define “legible size” and “legible size and type” as used
22 in this section.

23 (3) For purposes of ORS 260.735 and this section, “address” means the address of a residence,
24 office, headquarters or similar location where the slate mailer organization or a responsible officer
25 of the slate mailer organization may be conveniently located. If the slate mailer organization is a
26 political committee, the address shall be the address of the political committee included in the
27 statement of organization under ORS 260.039 or 260.042.

28 (4) The Secretary of State by rule may define the term “payment” as used in this section and
29 ORS 260.005 [(20)] (33) and 260.735.

30 **SECTION 26. Sections 7 to 18 of this 2005 Act and the amendments to statutes by**
31 **sections 4, 5, 19, 20 and 23 to 25 of this 2005 Act apply to contributions and expenditures made**
32 **on or after the effective date of this 2005 Act.**

33 **SECTION 27. The provisions of this 2005 Act supersede any provision of law with which**
34 **they may conflict. For the purpose of determining the constitutionality of any provision of**
35 **this 2005 Act, every section, subsection, paragraph and subparagraph of this 2005 Act shall**
36 **be evaluated separately. If any section, subsection, paragraph or subparagraph is held in-**
37 **valid, the remaining sections, subsections, paragraphs and subparagraphs shall not be af-**
38 **ected and shall remain in full force and effect. The courts shall sever those sections,**
39 **subsections, paragraphs and subparagraphs necessary to render this 2005 Act consistent with**
40 **the United States Constitution and the Oregon Constitution. Each section, subsection, para-**
41 **graph and subparagraph is considered severable, either individually or in any combination.**

42 **SECTION 28. (1) Except as provided in subsection (2) of this section, this 2005 Act does**
43 **not take effect unless the amendment to the Oregon Constitution proposed by House Joint**
44 **Resolution 44 (2005) is approved by the people at the next regular general election held**
45 **throughout this state. This 2005 Act takes effect on the effective date of that constitutional**

1 **amendment.**

2 **(2) If, 30 days after the November 2006 general election, the Oregon Constitution does**
3 **not allow limitations on political campaign contributions or expenditures, this 2005 Act shall**
4 **nevertheless be codified and shall take effect on the date that the Oregon Constitution is**
5 **found to allow, or is amended to allow, limitations on political campaign contributions or**
6 **expenditures.**

7
