

# CAMPAIGN FINANCE

# **BACKGROUND BRIEF**

This brief provides an overview of the primary types of campaign finance regulations, the law and case history associated with campaign finance reform, and the methods of regulation currently employed in Oregon.

#### INTRODUCTION

The 10th amendment to the U.S. Constitution preserves for the states all powers not explicitly delegated to the federal government and is the basis for states controlling the administration of elections, including the regulation of campaign finance. The ability to regulate campaign finance is limited by a substantial body of federal and state case law. The courts have consistently found the use of money in political campaigns is the equivalent of expressing political opinion and that laws regulating those areas may violate constitutional free speech guarantees.

States must provide evidence showing specific harms to the public interest that the laws are intended to prevent. A state must also take care to "narrowly tailor" any laws to target the identified harm to minimize the impact on free speech rights.

There are three main methods employed by states for regulating campaign finance, which are commonly utilized in combination. These methods are:

- 1. requiring the disclosure and reporting of campaign contributions and expenditures;
- 2. setting contribution limits to campaigns; and
- 3. providing a system for public financing of elections.

| Table of Contents                        |    |  |
|--|----|--|
| L  | 4  |  |
| INTRODUCTION                             | 1  |  |
| FEDERAL FRAMEWORK                        | 2  |  |
| OREGON BALLOT MEASURES AND SUPREME COURT |    |  |
| DECISIONS                                | 3  |  |
| DISCLOSURE                               | 4  |  |
| CONTRIBUTION LIMITS                      | 8  |  |
| PUBLIC FINANCING                         | 9  |  |
| POLITICAL CONTRIBUTIONS                  |    |  |
| TAX CREDIT                               | 9  |  |
| RECENT LEGISLATION                       | 10 |  |
| STAFF CONTACT                            | 12 |  |
|  |    |  |

In Oregon, campaign finance regulation and election offenses are specified in ORS Chapter 260 (2019).

December 15, 2020 Page | 1

#### FEDERAL FRAMEWORK

## **Federal Campaign Finance Law**

The 1974 amendments to the Federal Election Campaign Act (FECA), form the basis of current federal campaign finance law, which include the public disclosure of funds raised and spent to influence federal elections, restrictions on contributions and expenditures made to influence federal elections, and the public financing of presidential campaigns. The FECA also established the Federal Election Commission (FEC), which is the independent regulatory agency charged with administering and enforcing federal campaign finance law. The FEC has jurisdiction over the financing of campaigns for the U.S. House, Senate, Presidency, and the Vice Presidency.<sup>1</sup>

## **U.S. Supreme Court Decisions**

Though states must foot the bill and institute provisions for elections and any campaign finance regulations, the federal government retains judicial review over these in the form of U.S. Supreme Court rulings. These decisions oftentimes force states to amend or completely change their protocols. This section provides an overview of some of the most important Supreme Court decisions.

In <u>Buckley v. Valeo</u>, <u>424 U.S. 1 (1976)</u>, the court found dangers of corruption sufficient to allow reasonable limits to free speech rights of the First Amendment to the U.S. Constitution, which provides "Congress shall make no law . . . abridging the freedom of speech." In <u>Buckley</u>, the court found that campaign expenditures were more central to the core of free expression and therefore struck down a federal law limiting expenditures. Buckley also established three interests that may justify disclosure:

- informing the electorate of where campaign money comes from and how it is spent;
- deterring corruption and avoiding the appearance of corruption by exposing large contributors who may be seeking special treatment; and
- gathering information needed to detect violations of contribution limits.

In <u>Randall v. Sorrell</u>, 548 U.S. 230 (2006), the U. S. Supreme Court reaffirmed that expenditure limits violate the First Amendment and found that states must ensure their contribution limits are high enough to enable the candidate to run an effective campaign.

In <u>Citizens United v. Federal Election Commission (2010)</u>, the U.S. Supreme Court held that corporate funding of independent political broadcasts in candidate elections cannot be limited under the First Amendment. After this decision, corporations and unions can spend unlimited sums of money on ads and other communications designed to support or oppose a candidate. In effect, the court held that corporations have the same First Amendment speech protections as individuals.

\_

<sup>&</sup>lt;sup>1</sup> Federal Elections Commission, *Mission and history*, <a href="https://www.fec.gov/about/mission-and-history/">https://www.fec.gov/about/mission-and-history/</a> (last visited December 13, 2020).

<sup>&</sup>lt;sup>2</sup> U.S. Const. amend. I.

Therefore, federal campaign finance law no longer restricts corporations or labor unions from using general treasury funds to make independent expenditures for any communication expressly advocating election or defeat of a candidate and permits corporations and unions to use treasury funds for electioneering communications. Corporations are still prohibited from contributing directly to federal candidates, but can contribute unlimited sums to organizations, such as Super political action committees (PACs) and 501(c)4 organizations, that support or oppose a candidate.

Finally in <u>McCutcheon v. Federal Election Commission (2014)</u>, the U.S. Supreme Court overturned the limits on aggregate federal campaign contributions set forward in Section 441 of the FECA. The ruling means that states can place a limit on how much any individual or group contributes to any one campaign, but cannot impose aggregate limits on how much an individual or group contributes to all campaigns during an election cycle.

## **United States Court of Appeals Decisions**

Ballot Measure 6 (1994) amended the Oregon Constitution to limit out-of-district contributions to 10 percent of the total amount of candidates' contributions. Vermont attempted to limit out-of-state contributions to 25 percent. Federal courts found that both limits violated the U.S. First Amendment because neither state had evidence that out-of-district or out-of-state contributions posed special dangers of corruption. In 1998, the U.S. Ninth Circuit Court of Appeals noted that Oregon's Ballot Measure 6 banned all out-of-district donations, regardless of size or any other factor that would tend to indicate corruption (*VanNatta v. Keisling*, 151 F.3d 1215 (9<sup>th</sup> Cir. 1998)).

# **OREGON BALLOT MEASURES AND SUPREME COURT DECISIONS**

Oregon's constitution is more protective of free expression rights than the federal. If a law passes muster under Article I, section 8, of the Oregon Constitution, a court will then turn to analysis under federal law. In that way, the U.S. Supreme Court's analysis serves as a minimum level of protection of free speech. The First Amendment applies to the states via the 14<sup>th</sup> Amendment, so all of Oregon's laws are subject to the First Amendment.

The Oregon Supreme Court first looked at contribution limits when reviewing Ballot Measure 9 (1994), which limited campaign contributions by individuals and PACs in legislative and statewide races. The measure was challenged in <u>VanNatta v. Keisling</u>, <u>324 Or. 514; 931P.2d 770 (1997)</u>, where the court found that campaign contributions are a form of speech protected by Article 1, section 8, of the Oregon Constitution.

In 2012, the Oregon Supreme Court considered the case of <u>Hazell v. Brown, 352.Or.</u> 455 (2012) regarding the implementation of campaign contributions that were adopted in Ballot Measure 47 (2006). The Secretary of State and the Attorney General determined in 2006 that since Ballot Measure 46, the companion constitutional amendment to allow the legislature or the people to create limits on campaign contributions and spending by enacting a statute, did not pass, the statutory limitations

in Measure 47 would not be enforced. The Court concluded that the campaign finance limits were inoperative and that according to the plain text of the measure itself, the limits were dormant.

On April 23, 2020, the Oregon Supreme Court issued its opinion in <u>Multnomah County v. Mehrwein</u>, which was a challenge to Multnomah County's campaign finance regulations enacted by voters in November 2016. The Court held that Multnomah County's contribution limits were not facially invalid under Article I, section 8, of the Oregon Constitution. The Oregon Supreme Court then remanded the issue of whether Multnomah County's contribution limits were valid under the First Amendment to the Multnomah County Circuit Court. The Circuit Court is now required to conduct a comprehensive analysis of the limits under the First Amendment, including whether the limits are too low and on "the government's interest in imposing contribution limits and the effect the limits could have on candidates' ability to conduct an effective campaign."<sup>3</sup>

Ballot Measure 107, which was referred to voters by <u>Senate Joint Resolution 18</u> (2019) and approved on November 3, 2020, amended section 8, Article II of Oregon's Constitution to permit the enactment of laws to regulate the use of money in political campaigns. The measure authorizes laws or ordinances that require:

- limits on contributions as long as resources that are necessary for effective advocacy may be gathered;
- the disclosure of contributions or expenditures made in connection with political campaigns or to influence the outcome of any election; and
- the identification of the persons or entities responsible for political advertisements.

## **DISCLOSURE**

The most common means of regulating political spending is through various disclosure and reporting requirements. All 50 states mandate that candidates for elective office report the contributions they receive and the expenditures they make while pursuing public office.<sup>4</sup>

In Oregon, all contributions and expenditures related to any candidate, measure, or political party active in any election, including initiative, referendum, and recall petition drives, are required to be disclosed. All campaign finance transactions are required to be filed electronically using the Secretary of State's Oregon Elections System for Tracking and Reporting (ORESTAR).

In 2005, the Legislative Assembly created ORESTAR and required all campaign contributions and expenditures to be reported to the Secretary of State's office within a rolling 30-day time period. Beginning in 2007, the public has been able to search for

December 15, 2020

<sup>&</sup>lt;sup>3</sup> Multnomah County v. Mehrwein, 366 Or. 295 (2020).

<sup>&</sup>lt;sup>4</sup> National Conference of State Legislatures, *Campaign Finance Laws: An Overview, Disclosure*, <a href="https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-an-overview.aspx#disclosure">https://www.ncsl.org/research/elections-and-campaigns/campaign-finance-an-overview.aspx#disclosure</a> (last visited December 13, 2020).

campaign contribution and spending information for state and local candidates, campaigns, and political action committees throughout Oregon.

A candidate, measure, or political party active in any election including initiative, referendum, and recall petition committee that expects to receive a total of more than \$3,500 or spend a total of more than \$3,500 for a calendar year, must file all transactions electronically using ORESTAR. They are required to disclose contributions and expenditures within 30 days, or within seven days during the six weeks before an election.<sup>5</sup>

A candidate is not required to form a committee if the candidate meets all three conditions:

- candidate serves as the candidate's own treasurer;
- candidate does not have an existing candidate committee; and
- candidate does not expect to receive or spend more than \$750 during a calendar year.<sup>6</sup>

The \$750 includes in-kind contributions or personal funds spent for any campaign-related costs, except the fee paid for filing a candidate's statement for inclusion in the state voters' pamphlet. If at any time during a calendar year the candidate exceeds \$750 in either contributions or expenditures, the candidate must establish a campaign account within three business days of exceeding the \$750 threshold.<sup>7</sup>

There are six transaction types that must be disclosed under campaign finance reporting requirements. The two most commonly used types are Contribution and Expenditure. Other types include: Other Accounts Receivable, Other, Other Receipt, and Other Disbursement.<sup>8</sup>

A committee is required to report detailed information about a contributor or payee if the total amount received from the same contributor or paid to the same payee exceeds \$100 in a calendar year. When the calendar year aggregate for a contributor or payee exceeds \$100, the committee must disclose at least the name, address, and occupational information (if any) for contributors or, for payees, the name and city and state where the payee is located. If the aggregate is not exceeded, the transaction is disclosed to the public as a miscellaneous transaction, but no information about the contributor or payee is disclosed.<sup>9</sup>

<sup>&</sup>lt;sup>5</sup> Secretary of State Elections Division, *Campaign Finance Reporting in Oregon, Candidate "Quick Guide,"* <a href="https://sos.oregon.gov/elections/Documents/candidatequickguide.pdf">https://sos.oregon.gov/elections/Documents/candidatequickguide.pdf</a> (last visited December 13, 2020).

<sup>&</sup>lt;sup>7</sup> *Id*.

<sup>&</sup>lt;sup>8</sup> Secretary of State Elections Division, *Transaction Filing in ORESTAR "Quick Guide,"*<a href="https://sos.oregon.gov/elections/Documents/Transaction Filing Quick Guide.pdf">https://sos.oregon.gov/elections/Documents/Transaction Filing Quick Guide.pdf</a> (last visited December 13, 2020).

<sup>&</sup>lt;sup>9</sup> Secretary of State Elections Division, <u>2020 Campaign Finance Manual</u>, 16 and 59 (March 2020).

## **Expenditures**

In addition to contributions, all expenditures made by state and local candidates, campaigns, and political action committees are required to be disclosed using ORESTAR. An expenditure includes:

- payment or furnishing of money or any other thing of value;
- incurring or repayment of indebtedness or obligation by or on behalf of a candidate, committee, or person in consideration for any services, supplies, or equipment;
- any other thing of value performed or furnished for any reason, including support of or opposition to a candidate, committee, or measure;
- reducing the debt of a candidate for nomination or election to public office; or
- contributions made by a candidate or committee to or on behalf of any other candidate or committee.<sup>10</sup>

All committees are prohibited from using campaign funds for any person's personal use. "Personal use" means any use of a committee's funds to fulfill a personal commitment, obligation, or expense that would exist irrespective of the campaign or duties as a public office holder. This prohibition applies to all three types of committees (candidate, political action committee, and petition committee).<sup>11</sup>

Examples of prohibited personal use include, but are not limited to:

- purchase of household food items, clothing, or supplies;
- clothing other than items of de minimis value used in the campaign;
- mortgage, rent, or utility payments for real or personal property that is owned by any individual and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage;
- admission to a sporting event, concert, theater, or other form of entertainment, unless part of a specific campaign or office holder activity;
- dues, fees, or gratuities at a country club, health club, recreational facility, or vacation property, unless they are part of the costs of a specific fundraising event that takes place on the club's or facility's premises;
- dues to professional or civic organizations in which the membership is not integrally related to the candidate's election or duties as a public office holder or an individual's duties related to a political committee or petition committee;
- loans made to any individual for the individual's personal use;
- salary to a person, unless the person is providing bona fide services to the committee or the public office holder;
- any judgment awarded under <u>ORS 18.005 (2019)</u>, or any civil penalty imposed by an agency as defined in <u>ORS 183.310 (2019)</u>, or imposed by a local government as defined in <u>ORS 174.116 (2019)</u>; or
- any legal expense incurred for any civil, criminal or other legal proceeding or investigation outside of Oregon elections law that relates to, or arises from, the

-

<sup>&</sup>lt;sup>10</sup> *Id*, 32.

<sup>&</sup>lt;sup>11</sup> Id, 35.

course and scope of the duties of a person as a candidate, public official, treasurer, chief petitioner, or director. 12

In 2019, the Legislative Assembly passed <u>House Bill 2716</u> requiring the disclosure of persons who paid for communications in support of or in opposition to a clearly identified candidate. <u>ORS 260.266 (2019)</u> became operative on December 3, 2020 and requires the disclosure to include the name of the persons who paid for the communication and include contributor and donor information in certain circumstances. This new statute does not apply to communications related to measures.

#### **Violations and Penalties**

Oregon election law requires complete, accurate, and timely disclosure of contributions and expenditures by committees. If a committee fails to provide sufficient information or does not meet the statutorily specified reporting deadlines, the Secretary of State can impose financial penalties on the committee.

The primary types of campaign finance elections violations stem from late and insufficient contribution and expenditure filings. The Secretary of State may impose civil penalties for failure to file a timely or sufficient transaction or a Certificate of Limited Contributions and Expenditures, with the following maximum penalties of:

- 10 percent of the amount of the transaction for each late transaction;
- 10 percent of the net change or 10 percent of the current transaction amount, whichever is less, for a change in transaction amount;
- 10 percent of the amount of the transaction or \$10, whichever is less, for each insufficient transaction; and
- \$350 for a late Certificate of Limited Contributions and Expenditures.

The maximum civil penalty for the following offenses is \$1,000:

- failure to file a Statement of Organization within three business days of receiving a contribution or making an expenditure;
- failure to file an amended Statement of Organization within 10 days of a change in information; and
- failure to establish a dedicated campaign account within three business days of receiving a contribution or making an expenditure.<sup>14</sup>

It is a criminal offense to make a contribution relating to a candidate, measure, political committee, or petition committee in any name other than the person who provides the contribution. Likewise, it is illegal to knowingly receive a contribution in a false name or enter it into a committee's account. A violation is a Class C felony, punishable by up to five years imprisonment and/or a \$125,000 fine.<sup>15</sup>

<sup>13</sup> *Id*, 67-71.

<sup>&</sup>lt;sup>12</sup> Id, 35.

<sup>&</sup>lt;sup>14</sup> *Id*.

<sup>15</sup> Id, 66.

#### **CONTRIBUTION LIMITS**

The second method of regulating campaign finance is with the establishment of contributions limits on the amount of money any group or individual can contribute to a campaign. States have established limits on how much an individual can contribute to a state campaign; how much a political party can contribute to candidate; or how much political action committees can contribute.

According to the National Conference of State Legislatures, Oregon is one of five states with no limits on political campaign contributions, along with Alabama, Nebraska, Utah, and Virginia, and one of 11 states that impose no limits on individual donors.<sup>16</sup>

The passage of Ballot Measure 47 in 2006 technically put contribution limits in Oregon statute, but those limits were deemed not enforceable unless or until the Oregon Constitution was amended or interpreted to allow such limits. <sup>17</sup> Ballot Measure 107 in 2020 has now amended the constitution to allow contribution limits, but it is limited to laws and ordinances enacted on or after January 1, 2016.

#### **Federal Contribution Limits**

The U.S. Supreme Court has approved contribution limits for national political office, thus allowing federal contribution limits. In 2019-2020 federal elections, federal laws provide that individuals can contribute \$2,800 per election to a candidate's committee and \$5,000 per year to a PAC that makes contributions to other federal political committees. Multicandidate PACs are limited to \$5,000 per election to a candidate's committee and \$5,000 per year to a PAC.<sup>18</sup>

#### Other State Contribution Limits

States impose different types of contribution limits and statutory restrictions. The types of limits include:

- 27 states have restrictions on ability of state party committees to contribute money to a candidate's campaign;
- 22 states completely prohibit corporations from contributing to political campaigns;
- 19 states impose the same restrictions on corporation contributions as they do for individual contributions;
- 37 states impose limits on contributions on PACs; and
- 39 states restrict the amount of money that any one individual can contribute to a state campaign.<sup>19</sup>

\_

National Conferences of State Legislatures, State Limits on Contributions to Candidates, 2019-2020 Election Cycle, <a href="https://www.ncsl.org/Portals/1/Documents/Elections/Contribution-Limits-to-Candidates-2019-2020.pdf">https://www.ncsl.org/Portals/1/Documents/Elections/Contribution-Limits-to-Candidates-2019-2020.pdf</a>? (last visited December 13, 2020).
ORS 259 (2019).

<sup>&</sup>lt;sup>18</sup> Federal Election Commission, *Contribution Limits*, <a href="https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/contribution-limits/">https://www.fec.gov/help-candidates-and-committees/candidate-taking-receipts/contribution-limits/</a> (last visited December 13, 2020).

<sup>&</sup>lt;sup>19</sup> National Conference of State Legislatures, *Campaign Contribution Limits: Overview*, https://www.ncsl.org/research/elections-and-campaigns/campaign-contribution-limits-overview.aspx (last visited November 20, 2020).

The average contributions limits established by states on contributions to candidates from individuals during the 2019-2020 election cycle are shown in Table 1.

Table 1: Individual Contribution Limits per Election Cycle in 39 States

| Office   | Average | Mean    | High          | Low        |
|----------|---------|---------|---------------|------------|
| Governor | \$6,126 | \$4,000 | \$47,100 (NY) | \$500 (AK) |
| Senate   | \$2,947 | \$2,000 | \$13,292 (OH) | \$180 (MT) |
| House    | \$2,539 | \$1,600 | \$13,292 (OH) | \$180 (MT) |

Source: National Conference of State Legislatures<sup>20</sup>

#### **PUBLIC FINANCING**

The third method states use to regulate campaign spending is by providing a means by which candidates can accept public funds to conduct their campaign. Public financing of campaigns remains the least-used method of regulating money in elections, partly due to the result of the U.S. Supreme Court decision in *Buckley v. Valeo*. In that decision, the Court struck down a provision of the FEC mandating public financing for presidential elections. States cannot require candidates to use public financing programs, and the financial advantages of private fundraising frequently prompt candidates to opt out of public financing programs, which often include expenditure limits for participants.<sup>21</sup>

As of February 2019, 14 states provide some form of public financing option for campaigns. Each require the candidate to accept public money for his or her campaign in exchange for a promise to limit both how much the candidate spends on the election and how much they receive in donations from any one group or individual.<sup>22</sup> Revenue for these programs is generated from a range of sources including income taxpayer check-offs, legislative appropriations, sale of unclaimed property, fees, and surcharges.

The three models for public financing are:

- matching funds for candidates up to a certain amount;
- voucher programs where eligible residents receive vouchers valued at a specific amount to send to the candidate of their choice; and
- grant systems or "clean elections programs" where candidates collect a specific number of small contributions to demonstrate that they are a viable candidate and then receive a grant amount based on the office being sought.

# POLITICAL CONTRIBUTIONS TAX CREDIT

Oregon provides a nonrefundable tax credit of \$50 for individuals and \$100 if filing jointly for political contributions to a major or minor political party; candidate for federal,

<sup>&</sup>lt;sup>20</sup> Id

<sup>&</sup>lt;sup>20</sup> Ia.

<sup>&</sup>lt;sup>21</sup> National Conference of State Legislatures, *Public Financing of Campaigns: Overview*, <a href="https://www.ncsl.org/research/elections-and-campaigns/public-financing-of-campaigns-overview.aspx">https://www.ncsl.org/research/elections-and-campaigns/public-financing-of-campaigns-overview.aspx</a> (last visited December 13, 2020).
<sup>22</sup> Id.

state, or local elective office; or political action committee. The policy purpose of the political contributions tax credit is to encourage large numbers of people to contribute small amounts of money to political parties and candidates thereby encouraging participation in the political process.<sup>23</sup>

The political contributions tax credit was first enacted in 1969; the original credit was equal to the lesser of 50 percent of the total contribution with a credit maximum of \$10 (joint return), \$5 (all others), or the taxpayer's tax liability. The credit maximum limits were adjusted to \$25 (joint) and \$12.50 (all others) in 1973, and to \$50 (joint) and \$25 (all others) in 1975. In 1987, the Legislative Assembly increased the amount of the credit limit to its current levels and made the credit equal to the full amount of the contribution up to the credit limit.<sup>24</sup>

The Legislative Assembly first means tested the political tax credit in 2013, only allowing the tax credit for joint filers with income under \$200,000 and for individual filers with income under \$100,000.<sup>25</sup> In 2019, the eligibility threshold was further reduced and the credit is now only allowed for joint filers with incomes under \$150,000 and for individual filers with income under \$75,000.<sup>26</sup> The political contribution tax credit is next scheduled for review in the 2025 legislative session.

The 2021-2023 Tax Expenditure Report states that the 2018 amount claimed for this tax credit was \$4.6 million from 72,370 full-year tax returns from single and joint filers. This is a reduction of \$1.7 million since 2016, when the amount claimed was \$6.3 million from 92,930 full-year tax returns from single and joint filers. The report also estimates that the political contribution tax credit in 2018 was connected to approximately 55 percent of all individual campaign contributions. The report concludes that it is "unable to determine if a tax expenditure is the most fiscally effective means of increasing public participation in the political process other than to say the tax credit is relatively low compared to the amount of contributions an individual could make." 29

#### RECENT LEGISLATION

<u>Senate Bill 478</u> (2019) prohibits the use of contributions to a campaign, political committee, or petition committee from being used as payment in connection with a nondisclosure agreement (NDA) related to workplace harassment. Violations are punishable by up to twice the amount that is specified in the NDA for violation of the NDA.

December 15, 2020

<sup>&</sup>lt;sup>23</sup> Legislative Revenue Office, *Tax <u>Credit Review: 2019 Session</u>* 29-36 (January 2019).

<sup>&</sup>lt;sup>25</sup> Section 7, Chapter 750, Oregon Laws 2013.

<sup>&</sup>lt;sup>26</sup> ORS 316.102 (2019) and House Bill 2164 (2019).

<sup>&</sup>lt;sup>27</sup> Oregon Department of Revenue Research Section, <u>State of Oregon Tax Expenditure Report: 2021-23 Biennium</u> 188-189 (2020).

<sup>&</sup>lt;sup>28</sup> Oregon Department of Revenue Research Section, <u>State of Oregon Tax Expenditure Report: 2019-2021 Biennium</u> 191-192 (2018).

<sup>&</sup>lt;sup>29</sup> Oregon Department of Revenue Research Section, <u>State of Oregon Tax Expenditure Report: 2021-23 Biennium</u> 188-189 (2020).

<u>Senate Joint Resolution 18</u> (2019) proposed an amendment of section 8, Article II of Oregon's constitution to permit the enactment of laws to regulate the use of money in political campaigns, which was approved by voters on November 3, 2020. The measure authorizes limits on contributions so long as resources that are necessary for effective advocacy may be gathered; requires disclosure of contributions and expenditures; and requires identification of the persons or entities responsible for political advertisements.

House Bill 2716 (2019) requires communication in support of or opposition to a candidate to state the name of the person who paid for the communication, including donors in specified circumstances. The measure exempts certain candidates and campaign materials and authorizes the Secretary of State to determine the form of the statement and to enforce requirements by civil penalty.

House Bill 2983 (2019) requires covered nonprofit organizations to file a donor identification list that identifies donors who made donations above a specified amount to such organizations, if it makes aggregate political expenditures above a specified amount. The bill authorizes the imposition of civil penalties to enforce these obligations, modifies the scope of independent expenditures that must be reported, expands the obligation to maintain election-related records, and prohibits reimbursing another person for campaign contributions or donations.

<u>Senate Bill 1510</u> (2018) clarifies timing for filing a statement of contribution or expenditure and permits a candidate who acts as own treasurer, or treasurer of principal campaign committee, to provide initial information regarding bank account up to one business day after filing the statement of organization.

<u>Senate Bill 225</u> (2017) provides that a treasurer of a political committee or treasurer of petition committee is personally responsible for the performance of specified duties. The measure also permits a treasurer to designate an elector to be liable for civil penalties imposed for failure to file the required statements for a committee or for failure to include information required in statements filed for a committee.

House Bill 2505 (2017) expands "communication in support of or in opposition to a clearly identified candidate or measure" within the definition of "independent expenditure" to include aggregate expenditures of \$750 or more on such communications that are distributed to relevant voters within 30 calendar days of a primary election or within 60 calendar days of a general election. The measure exempts certain nonpartisan activity and enumerates additional exemptions.

<u>House Bill 2178</u> (2015) established the <u>Task Force on Campaign Finance Reform</u> to conduct an analysis and determine the best method to address campaign finance reforms. It submitted a <u>final report</u> in 2016.

## **STAFF CONTACT**

Melissa Leoni, Analyst Legislative Policy and Research Office 503-986-1286 Melissa.Leoni@oregonlegislature.gov

Please note that the Legislative Policy and Research Office provides centralized, nonpartisan research and issue analysis for Oregon's legislative branch. The Legislative Policy and Research Office does not provide legal advice. Background Briefs contain general information that is current as of the date of publication. Subsequent action by the legislative, executive, or judicial branches may affect accuracy.