

HB 2680 -1, -2, -12 STAFF MEASURE SUMMARY

House Committee On Rules

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Meeting Dates: 3/30, 5/13, 6/1, 6/7

WHAT THE MEASURE DOES:

Establishes limits on campaign contributions that may be accepted by candidates and political committees. Requires political committee to identify as caucus, measure, multicandidate, political party, recall, or small donor political committee. Prohibits person from controlling more than one of each committee. Requires Secretary of State (SOS) to adjust dollar amounts of limits and adopt rules. Authorizes SOS and Attorney General to require return of contributions in excess of applicable limits and impose civil penalty up to 150 percent of total amount of contribution that resulted in the limit violation. Repeals Ballot Measure 47 (2006), currently held in abeyance, which establishes limits on political campaign contributions and independent expenditures on candidate races and establishes certain campaign finance disclosure requirements. Becomes operative November 9, 2022.

ISSUES DISCUSSED:

- Maximum public match established in measure
- Demand for public match funds and impact to the state budget
- Translating city match fund models to the State of Oregon
- Limitation on use of match funds
- Utilization of political contribution tax credit

EFFECT OF AMENDMENT:

-1 Replaces the measure. Establishes limits on campaign contributions that may be accepted by candidates for state office and political committees. Sets limit for non-state offices to limit for state representative and allows local government to adopt lower contribution limits for local government election contests. Sets aggregate per election limits from a person, multicandidate political committee, or principal campaign committee of a candidate to a candidate or the candidate's principal campaign committee at \$1,000 for state representative or local candidate; \$2,000 for state senator or circuit court judge; and \$2,900 for other state offices. Sets per election aggregate limit from political party multicandidate committee to \$10,000 for state representative, state senator, circuit court judge, or local candidate and \$30,000 for other state offices, except where a caucus political committee does not exist, the aggregate limit is \$40,000 for all offices. Establishes per election aggregate limit from a caucus political committee at \$40,000 and from small donor political committees to the greater of \$25 per in-state individual contribution or \$25,000. Specifies in-kind contributions that count toward limits. Exempts contributions from candidate personal funds to candidate or candidate's principal campaign committee. Establishes contribution limits for caucus, multicandidate, political party multicandidate, measure, political administration, or recall political committees. Sets small donor political committee contribution limits. Allows membership organizations to make contributions to one or more small donor committees and prohibits member identifying information from disclosure as a public record.

Requires political committee to identify as caucus, measure, multicandidate, political party administration, political party multicandidate, recall, or small donor political committee as defined in measure. Prohibits person from controlling more than one of each type of political committee. Establishes eligible elections for candidates to accept contributions and defines when contributions made or received by multiple political committees or people are considered made or received by a single political committee or person.

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Establishes the Small Donor Election Program; defines participation requirements and processes; and sets maximum public match amounts and percentages for primary and general elections for candidates for state senator and state representative. Requires minimum in-state qualifying contribution amount of \$10,000 and 400 individual donors for state senator and \$6,000 and 250 individual donors for state representative. Allows candidates to receive an amount equal to \$6 for every \$1 in qualified small donor contributions from the Small Donor Election Fund with a maximum public match of \$600,000 for state senator and \$400,000 for state representative for the election cycle that ends in November of 2024. Allows participating candidates to receive other certain contributions and prohibits the use of fund moneys received for certain purposes. Provides for return of funds or withdrawal from program for receipt of nonconforming contribution. Requires candidate to return unspent public moneys to fund no later than 45 days after each general election. Establishes Small Donor Election Fund at Treasury consisting of legislative appropriations, penalties, and moneys returned by participants in Small Donor Election Program. Allows resident individual taxpayer to designate contribution to Small Donor Election Fund on income tax return form.

Requires Secretary of State (SOS) to adjust certain dollar amounts each election cycle and to adopt rules for contribution limits and Small Donor Election Program. Authorizes SOS and Attorney General to require return of contributions in excess of applicable limits and impose civil penalty up to 150 percent of total amount of contribution that resulted in the limit violation, unless the excess contribution is returned or donated to the Small Donor Election Fund. Directs all penalties in ORS 260.995 to Small Donor Election Fund. Establishes that candidates participating in Small Donor Election Program who falsify campaign records or violate program provisions may no longer participate in program, must return the total amount of public money received from the fund plus interest, are personally liable for returning public moneys already expended, and are subject to criminal and civil liability. Makes other related conforming amendments, including adding coordinated expenditure to the definition of contribution in ORS 260.005. Requires SOS to hire full-time employee to provide voter education, support, and outreach on Oregon's campaign finance laws.

Authorizes employee or contractor to bring civil action if individual or entity either requires employee or contractor to make contribution or independent expenditure or provides or promises any benefit or imposes or threatens any detriment if employee or contractor makes or refuses to make contribution or independent expenditure. Imposes minimum civil award of \$20,000 for violation.

Repeals Ballot Measure 47 (2006). Makes contribution limits and Small Donor Election Program operative on November 9, 2022. Establishes deadlines for SOS rulemaking, revisions to campaign finance manual, and reporting to Legislative Assembly. Declares emergency, effective on passage.

-2 Replaces the measure. Allows political committee other than principal campaign committee of candidate or a small donor political committee to accept unlimited contributions, except political committee may not accept contributions from small donor committee. Establishes \$2,900 limit per election for aggregate contributions from a person or political committee and \$14,500 from small donor political committee to a candidate or the principal campaign committee of a candidate for state or local office. Allows small donor political committee to accept contributions of up to \$250 from any person per calendar year or unlimited contributions from a small donor political committee and to accept up to \$1,250 worth of staff time from each organization that makes a contribution. Exempts contributions from candidate personal funds to candidate or candidate's principal campaign committee from limits. Allows local government to adopt lower contribution limits for local government election contests. Establishes eligible elections for candidates to accept contributions and defines when contributions made or received by multiple political committees or people are considered made or received by a single political committee or person. Requires Secretary of State (SOS) to adopt rules and adjust the limit before each election cycle to the greater of the federal contribution limit for a Representative in Congress or the

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cumulative change in the Consumer Price Index.

Prohibits a foreign national from directly or indirectly offering or making a contribution or expenditure for: a candidate, political committee, or petition committee; the purpose of influencing an election outcome; or the purpose of paying for communication in support or opposition to a candidate or measure. Prohibits candidate, political committee, or petition committee from soliciting, accepting, or receiving a contribution from a foreign national. Prohibits a person from soliciting, accepting, or receiving a contribution or expenditure from a foreign national for certain election-related purposes. Requires media outlet or Internet platform to establish policies, procedures, and controls to identify and prevent the distribution of prohibited communication by a foreign national. Authorizes SOS and Attorney General to require return of contributions in excess of applicable limits and impose civil penalty up to 150 percent of total amount of contribution that resulted in the limit violation. Adds coordinated expenditure to the definition of contribution in ORS 260.005. Repeals Ballot Measure 47 (2006). Becomes operative November 9, 2022. Takes effect 91st day following adjournment sine die.

-12 Replaces the measure. Establishes the Small Donor Election Program; defines program participation requirements and processes; and sets maximum public match amounts and percentages for primary and general elections for candidates for state senator and state representative. Requires minimum in-state qualifying contribution amount of \$10,000 and 400 individual donors for state senator and \$6,000 and 250 individual donors for state representative. Allows candidates to receive an amount equal to \$6 for every \$1 in qualified small donor contributions from the Small Donor Election Fund with a maximum public match of \$600,000 for state senator and \$400,000 for state representative for the election cycle that ends in November of 2024. Allows participating candidates to receive other certain contributions and prohibits the use of fund moneys received for certain purposes. Provides for return of funds or withdrawal from program for receipt of nonconforming contribution. Requires candidate to return unspent public moneys to fund no later than 45 days after each general election. Establishes Small Donor Election Fund at Treasury consisting of legislative appropriations, penalties, and moneys returned by participants in Small Donor Election Program. Allows resident individual taxpayer to designate contribution to Small Donor Election Fund on income tax return form. Requires Secretary of State (SOS) to adjust maximum public match each election cycle and adopt program rules. Directs all penalties in ORS 260.995 to Small Donor Election Fund. Establishes that participating candidates who falsify campaign records or violate program provisions may no longer participate in program, must return the total amount of public money received from the fund plus interest, are personally liable for returning public moneys already expended, and are subject to criminal and civil liability. Requires SOS to hire full-time employee to provide voter education, support, and outreach on Oregon's campaign finance laws. Makes program operative on November 9, 2022. Establishes deadlines for SOS rulemaking, revisions to campaign finance manual, and reporting to Legislative Assembly. Declares emergency, effective on passage.

FISCAL: Fiscal impact statement

REVENUE: No revenue impact

BACKGROUND:

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 is one of 11 states that impose no limits on individual donors.

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

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on or after January 1, 2016, that require: (1) limits on contributions as long as resources that are necessary for effective advocacy may be gathered; (2) the disclosure of contributions or expenditures made in connection with political campaigns or to influence the outcome of any election; and, (3) the identification of the persons or entities responsible for political advertisements.

House Bill 2680 establishes limits on campaign contributions that may be accepted by candidates and political committees and repeals the Ballot Measure 47 provisions from statute.