

HB 2680 A STAFF MEASURE SUMMARY**House Committee On Rules****Action Date:** 06/07/21**Action:** Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)**Vote:** 4-2-1-0**Yeas:** 4 - Fahey, Holvey, Salinas, Smith Warner**Nays:** 2 - Bonham, Drazan**Exc:** 1 - Zika**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Melissa Leoni, LPRO Analyst**Meeting Dates:** 3/30, 5/13, 6/1, 6/7**WHAT THE MEASURE DOES:**

Establishes the Small Donor Election Program (program) and Small Donor Election Fund (fund); defines program requirements and processes; and sets maximum public match amounts and percentages for primary and general elections for state senator and state representative candidates. 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 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 certain contributions and identifies prohibited uses. Provides for return of funds received or withdrawal from program for receipt of nonconforming contributions. Requires candidates to return unspent public moneys to the fund no later than 45 days after each general election. Allows resident individual taxpayer to designate contribution to 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 fund. Establishes that participating candidates who falsify campaign records or violate program provisions: (1) may no longer participate in program; (2) must return public money received from fund plus interest; (3) are personally liable for returning public moneys already expended; and (4) 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.

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:

Replaces the measure.

BACKGROUND:

There are three main methods employed by states for regulating campaign finance, which are commonly utilized in combination. These methods are requiring the disclosure and reporting of campaign contributions and expenditures; setting contribution limits to campaigns; and providing a system for public financing of elections. As

This summary has not been adopted or officially endorsed by action of the committee.

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of February 2019, 14 states provide some form of public financing option for campaigns. Each require the candidate to accept public money 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. 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.

House Bill 2680 A establishes the Small Donor Election Program (program) and Small Donor Election Fund (fund); defines program requirements and processes; and sets maximum public match amounts and percentages for the primary and general elections for state senator and state representative candidates.