

## **SB 1526 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Rules**

---

**Prepared By:** Leslie Porter, LPRO Analyst

**Meeting Dates:** 2/10

---

#### **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. Establishes Small Donor Election Program (program) and Small Donor Election Fund (fund); defines program requirements and processes; sets maximum public match amounts and percentages for primary and general elections for state senator and state representative candidates; and allows resident individual taxpayer to designate contribution to fund on income tax return form. 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 amount equal to \$6 for every \$1 in qualified small donor contributions from fund with maximum public match of \$600,000 for state senator and \$400,000 for state representative for election cycle ending 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 fund no later than 45 days after each general election. Requires SOS to adjust maximum public match each election cycle and adopt program rules. 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 6, 2024. Establishes deadlines for SOS rulemaking, revisions to campaign finance manual, and reporting to Legislative Assembly. Directs most election law penalties to the fund. 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 6, 2024.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-1 Requires political committees to identify as legislative caucus, multicandidate, political party multicandidate, principal campaign, small donor, independent expenditure, measure, or recall committee. Prohibits political party from establishing more than one legislative caucus political committee in each the House of Representatives and the Senate. Prohibits candidate, or candidate election political committee, from accepting certain contributions. Prohibits individual or entity from making contribution that is not expressly permitted. Prohibits political committee other than candidate election political committee from making contribution to candidate or candidate election political committee. Prohibits individual under age 16 from making aggregate contribution in excess of \$500 to any single candidate election political committee in a calendar year. Prohibits political committee from making contribution to another political committee at the direction of donor. Prohibits candidate for public office

## SB 1526 -1 STAFF MEASURE SUMMARY

or candidate's principal campaign committee from accepting certain contributions. Prohibits all political party committees of any single political party, legislative caucus committees, multicandidate committees, and small donor committees from accepting certain annual aggregate contributions. Considers two or more membership organizations to be joint membership organizations if established, maintained, or controlled by same person. Prohibits foreign national, corporation, or entity from making direct or indirect contribution for campaign media spending. Allows independent expenditures by entity contributing to candidate or principal campaign committee if effective firewall is maintained. Provides for repayment of candidate's personal loans by principal campaign committee in amounts specified within certain timeframe. Requires Secretary of State (SOS) to adjust dollar amounts biennially according to Consumer Price Index. Allows business entity, labor organization, or certain tax exempt organizations to establish or administer segregated fund that operates as political committee if certain guidelines are met. Establishes penalties for contribution limit violations and enforcement provisions. Allows SOS to adopt rules. Considers all political committee established, financed, maintained, or controlled by the same corporation or labor organization to be single political committee. Prohibits anonymous donations. Prohibits employer from requiring employee to make contribution or independent expenditure, from promising benefit after doing so, or threatening punishment for not doing so. Limits unexpended moneys allowed to remain in principal campaign committee not later than 60 calendar days after end of applicable election cycle and requires excess to be transferred to Grassroots Donor Election Fund. Establishes Grassroots Donor Elections Program (program) and sets requirements for participation. Establishes matching funding amounts. Establishes limits that may be accepted by candidates from other sources if participating in program. Prohibits participant from coordinating election activities with any entity that makes independent expenditures. Requires SOS to establish rules. Establishes penalties for violations. Sets maximum public match for various offices. Establishes the Oregon Elections Commission to oversee program administration. Requires SOS to hire employees necessary to implement program and to establish Office of Candidate and Community Services to provide compliance assistance. Allows subjects of complaint to establish Campaign Legal Expense Fund (fund) to defray legal expenses, as authorized by the Oregon Government Ethics Commission (OGEC). Requires OGEC to disclose all contributions received and expenditures made by fund. Repeals campaign finance laws established in 2006 (Ballot Measure 47). Sets operative date for certain provisions as November 6, 2024. Refers Act to people for their approval or rejection at the next statewide regular general election.

### **BACKGROUND:**

Ballot Measure 47 (2006), as adopted by the people, established campaign contribution limits from individuals and banned contributions from corporations and unions. It was designed to be adopted in tandem with Ballot Measure 46 (2006)—a constitutional amendment allowing campaign contributions, which would allow the accompanying changes in statute to be enforced. Ballot Measure 46 was not adopted, which led to the question of whether the language adopted in Ballot Measure 47 (2006) was constitutional. In 2006, the Secretary of State and the Attorney General determined that the provisions in Ballot Measure 47 (2006) could not be enforced and in 2012, the Oregon Supreme Court in *Hazell v. Brown*, 352.Or 455 (2012) concluded that the limits were indeed inoperative.

Ballot Measure 107 (2020), as adopted by the people, permits the enactment of laws to regulate the use of money in political campaigns.

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.

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

## SB 1526 -1 STAFF MEASURE SUMMARY

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 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.

As 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.

Senate Bill 1526 establishes limits on campaign contributions that may be accepted by candidates and political committees and repeals the Ballot Measure 47 provisions from statute. It establishes the Small Donor Election Program and Small Donor Election Fund and sets maximum public match amounts and percentages for the primary and general elections for state senator and state representative candidates.