

# DRAFT

## SUMMARY

Allows candidate for public office to use political contributions only to support nomination or election of candidate. Prohibits candidate from using contributions for personal use. Prohibits candidate from using contributions to make contributions to other candidates or political committees, to defray office expenses, to pay criminal or civil penalties or to pay certain membership dues.

Allows candidate to distribute contributions to principal campaign committee of same candidate for different office. Allows candidate who discontinues principal campaign committee to distribute excess contributions to charitable organization, political party, legislative caucus political committee or Legislative Assembly.

Limits uses of contributions received by political committee that is not principal campaign committee.

## A BILL FOR AN ACT

1  
2 Relating to elections; creating new provisions; and amending ORS 260.046  
3 and 260.407.

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

5 **SECTION 1.** ORS 260.407 is amended to read:

6 260.407. *[(1) Except as provided in subsection (2) of this section, amounts*  
7 *received as contributions by a candidate or the principal campaign committee*  
8 *of a candidate for public office that are in excess of any amount necessary to*  
9 *defray campaign expenditures and any other funds donated to a holder of*  
10 *public office may be:]*

11 *[(a) Used to defray any expenses incurred in connection with the recipient's*  
12 *duties as a holder of public office;]*

13 *[(b) Transferred to any national, state or local political committee of any*  
14 *political party;]*

1       [(c) Contributed to any organization described in section 170(c) of Title 26  
2 of the United States Code or to any charitable corporation defined in ORS  
3 128.620; or]

4       [(d) Used for any other lawful purpose.]

5       [(2) Notwithstanding subsection (1) of this section, amounts received as  
6 contributions by a candidate for public office that are in excess of any amount  
7 necessary to defray campaign expenditures and other funds donated to a holder  
8 of public office shall not be converted by any person to any personal use other  
9 than to defray any expenses incurred in connection with the person's duties  
10 as a holder of public office or to repay to a candidate any loan the proceeds  
11 of which were used in connection with the candidate's campaign.]

12       [(3) As used in this section:]

13       [(a) "Funds donated" means all funds, including but not limited to gifts,  
14 loans, advances, credits or deposits of money that are donated for the purpose  
15 of supporting the activities of a holder of public office. "Funds donated" does  
16 not mean funds appropriated by the Legislative Assembly or another similar  
17 public appropriating body or personal funds of the office holder donated to an  
18 account containing only those personal funds.]

19       [(b) "Public office" does not include national or political party office.]

20       **(1) Except as provided in subsections (3) and (4) of this section, a**  
21 **candidate or principal campaign committee of a candidate for public**  
22 **office may use contributions received by the candidate or committee**  
23 **only for the purpose of making expenditures to support the nomi-**  
24 **nation or election of the candidate.**

25       **(2) Except as provided in subsections (3) and (4) of this section,**  
26 **contributions received by a candidate or principal campaign committee**  
27 **of a candidate for public office may not be:**

28       **(a) Converted by any person to any personal use;**

29       **(b) Contributed to any other candidate or political committee;**

30       **(c) Used to defray any expenses incurred in connection with the**  
31 **recipient's duties as a holder of public office;**

1 (d) Used to pay any money award as defined in ORS 18.005 included  
2 as part of a judgment in a civil or criminal action or any civil penalty  
3 imposed by an agency as defined in ORS 183.310 or by a local govern-  
4 ment as defined in ORS 174.116; or

5 (e) Used to pay membership dues to a professional or civic organ-  
6 ization if the membership is not integrally related to the candidate's  
7 election or duties as a holder of public office.

8 (3) A candidate or principal campaign committee of a candidate for  
9 public office may distribute contributions received by the candidate  
10 or committee to the principal campaign committee of the same can-  
11 didate for nomination or election to a different public office.

12 (4) If a candidate or principal campaign committee of a candidate  
13 for public office does not intend to receive contributions or make ex-  
14 penditures and intends to discontinue the statement of organization  
15 of the candidate or committee under ORS 260.046, the candidate or  
16 committee may distribute contributions received by the candidate or  
17 committee to:

18 (a) Any organization qualified as a charitable organization under  
19 26 U.S.C. 501(c)(3), or to any charitable corporation as defined in ORS  
20 128.620, if the organization or corporation is not controlled by the  
21 candidate or a member of the candidate's immediate family;

22 (b) Any national, state or local political committee of any political  
23 party;

24 (c) Any political committee organized by a caucus of either house  
25 of the Legislative Assembly; or

26 (d) In the case of a candidate for the office of state Senator or state  
27 Representative, the Property and Supplies Stores Account established  
28 under ORS 173.790.

29 (5) Contributions received by a political committee that is not a  
30 principal campaign committee of a candidate for public office may not  
31 be:

1 (a) Converted by any person to any personal use;

2 (b) Except as allowed under ORS chapter 244, used to defray any  
3 expenses incurred in connection with the duties of a holder of public  
4 office;

5 (c) Used to pay any money award as defined in ORS 18.005 included  
6 as part of a judgment in a civil or criminal action or any civil penalty  
7 imposed by an agency as defined in ORS 183.310 or by a local govern-  
8 ment as defined in ORS 174.116; or

9 (d) Used to pay membership dues of a candidate or holder of public  
10 office to a professional or civic organization if the membership is not  
11 integrally related to the candidate's election or the duties of the holder  
12 of public office.

13 (6) The Secretary of State by rule may specify expenditures that are  
14 allowed or prohibited under subsection (1), (2) or (5) of this section.

15 (7) As used in this section, "public office" does not include a na-  
16 tional or political party office.

17 **SECTION 2.** ORS 260.046 is amended to read:

18 260.046. (1) A filing officer, in accordance with rules adopted by the Sec-  
19 retary of State, may discontinue the statement of organization of a candidate,  
20 principal campaign committee or political committee if the candidate, prin-  
21 cipal campaign committee or political committee has not filed a statement  
22 of contributions received or expenditures made under this chapter.

23 (2) The Secretary of State shall adopt rules prescribing conditions and  
24 procedures under which a filing officer may discontinue a statement of or-  
25 ganization under this section.

26 (3) If a filing officer discontinues a statement of organization under this  
27 section, the filing officer shall provide written notice to the candidate,  
28 principal campaign committee or political committee that the statement has  
29 been discontinued.

30 (4) A candidate, principal campaign committee or political com-  
31 mittee may discontinue a statement of organization in the manner

1 specified by the Secretary of State by rule.

2 **SECTION 3.** (1) The amendments to ORS 260.407 by section 1 of this  
3 2007 Act apply to expenditures or distributions of contributions made  
4 on or after the effective date of this 2007 Act.

5 (2) The amendments to ORS 260.046 by section 2 of this 2007 Act  
6 apply to:

7 (a) Individuals who are or who become candidates or treasurers on  
8 or after the effective date of this 2007 Act;

9 (b) Principal campaign committees or political committees for  
10 which a statement of organization was filed prior to the effective date  
11 of this 2007 Act and has not been discontinued; and

12 (c) Principal campaign committees or political committees for  
13 which a statement of organization is filed on or after the effective date  
14 of this 2007 Act.

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