



NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 165

**SECRETARY OF STATE
ELECTIONS DIVISION**

FILED: 09/17/2026 9:26 AM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Outlines new penalties and revises penalty structure for certain violations

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/16/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:

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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/19/2026

TIME: 4:00 PM - 4:30 PM

OFFICER: Russell Buttram

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 986444067

SPECIAL INSTRUCTIONS:

Passcode: 4Ba7JQ9j

NEED FOR THE RULE(S):

The amendments to this rule are necessary to implement penalties for new violations created by HB 4018 (2026) and HB 4024 (2024). These changes propose a revised penalty structure for repeat violations of the same law. Further,

amendments to this rule are needed to enable affected stakeholders to understand the penalties associated with noncompliance of applicable laws, to specify the party against whom a penalty will be imposed, and to outline applicable mitigating circumstances that could waive or reduce a penalty.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

HB 4018 (2026) and HB 4024 (2024) available online or from the Elections Division.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

This rule promotes racial equity by protecting against implicit bias and ensuring that the same guidelines, procedures, and penalties apply consistently to all regulated stakeholders.

FISCAL AND ECONOMIC IMPACT:

The proposed amendments implement new requirements created by HB 4024 (2024) and HB 4018 (2026). The proposed amendments revise the existing penalty structure for repeat violations. HB 4024 and HB 4018 did not specify penalty amounts for all violations, but the Elections Division has existing authority to impose penalties of up to \$1,000 per violation for most violations of Oregon election law or rule. Where the law is silent, the Division outlined a penalty and in many instances, created a tiered penalty structure that penalizes repeat violations at a higher amount, up to the maximum amount allowed by law. This will have a fiscal and economic impact on regulated stakeholders who violate Oregon election laws or rules.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) The proposed changes to this rule will create an economic impact on the state Elections Division and on regulated stakeholders that fail to comply with Oregon election laws and rules. The Elections Division anticipates needing to answer questions and assist regulated stakeholders in understanding the new penalties and revised penalty structure. While HB 4024 (2024) and HB 4018 (2026) specify that violations must be penalized, the penalty amounts are set by this rule and will result in a fiscal and economic impact to affected parties. The specific cost that an affected party may incur is dependent on specific facts of their unique circumstances, such as the number of violations committed and the amounts received as contributions, donations or made as expenditures, and cannot be readily determined.

(2)(a)-(c) These rules apply to persons who violate Oregon election law. While small businesses may be involved in providing services to affected parties, they typically pass incurred costs on to their clients, the regulated entities. As such, these rules do not regulate small businesses as a class. Further, the costs they would incur and pass on to the regulated entity is dependent on the specific facts of their unique choices and circumstances and cannot be readily determined.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in the development of these rules because these rules do not directly affect small businesses as a class.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The Elections Division sought feedback from a RAC when developing rules to implement HB 4024 (2024). These rules

are a continuation of that effort and another RAC was not convened.

AMEND: 165-013-0010

RULE SUMMARY: The proposed changes to this rule implement House Bill 4018 (2026) and House Bill 4024 (2024). The changes to this rule propose a change to the existing penalty structure for violations of Oregon campaign finance law. The proposed changes outline responsible parties for violations, specify when mitigating circumstances might apply to waive or reduce penalties, and create a tiered structure for many violations which disincentivizes repeat violations.

CHANGES TO RULE:

165-013-0010

Penalty Matrix for Other Campaign Finance Violations ¶

(1) This penalty matrix applies to civil penalties for campaign finance violations not covered by the penalty matrices in the Campaign Finance Manual. ¶

~~(2) Mitigating Circumstances. The only mitigating circumstances that will be considered in a campaign finance violation covered by this rule include:~~ If the total calculated penalty for a case is less than \$75, a notice of proposed civil penalty will not be issued. ¶

~~(3)(a) For the purpose of determining penalty amounts for violations covered by this rule Appendix A of this rule will apply.~~ ¶

~~(b) For the purpose of determining which degree of penalty outlined in Appendix A applies, the Agency will consider prior violations of the listed statute within the 10 years preceding the current violation by the same person. The 10-year period begins on the date a notice of proposed civil penalty for the violation(s) is issued. In determining whether the violation is committed by the same person, the following factors will be considered, including:~~ ¶

~~(A) A candidate is considered to be the same person, regardless of the office(s) for which the person runs, or whether there is a lapse in time between candidacies;~~ ¶

~~(B) An individual independent expenditure filer is considered to be the same person, regardless of the candidate(s) or measure(s) supported or opposed, or whether there is a lapse in time between activity;~~ ¶

~~(C) An organizational independent expenditure filer is considered to be the same person, regardless of who the designated filer is.~~ ¶

~~(D) A covered organization is considered to be the same person, regardless of who the authorized representative is.~~ ¶

~~(E) A political committee may be considered to be the same person, regardless of who the treasurer is, or if the political committee has changed names or is otherwise amended;~~ ¶

~~(4)(a) Except as provided in this rule, only the following mitigating circumstances may be considered in reducing, in whole or in part, the civil penalty: :~~ ¶

~~(a) The violation is a direct result of a valid personal emergency of the candidate, treasurer, alternate transaction filer, or independent expenditure filer, or the covered organization's authorized representative. Independent written verification must be provided to support the respondent's claim. A valid personal emergency is an emergency, such as a serious personal illness or death in the immediate family of the candidate, treasurer, alternate transaction filer, or independent expenditure filer, or the covered organization's authorized representative which caused the violation to occur. A valid personal emergency does not include a common cold or flu, or a long-term illness where other arrangements could have been made. In this case, independent written verification must be provided;~~ ¶

~~(b) The violation is the direct result of an error by the elections filing officer;~~ Secretary of State, Elections Division; ¶

~~(c) The violation is the direct result of clearly-established fraud, embezzlement, or other criminal activity against the committee, committee treasurer, candidate, alternate transaction filer, or independent expenditure filer, as determined by a criminal or civil action in a court of law or independently corroborated by a report of a law enforcement agency or the sworn testimony or affidavit of an accountant or bookkeeper or the person individual who actually engaged in the criminal activity. This mitigating circumstance does not apply to when treasurer, the candidate, treasurer, alternate transaction filer, or independent expenditure filer who was the perpetrator of the wrongdoing described above;~~ ¶

~~(d, or the covered organization's authorized representative was the perpetrator of the wrongdoing described above. If the criminal or civil action in a court of law results in a monetary judgement (including restitution) in favor~~

of the candidate or committee treasurer, the Elections Division civil penalty must be paid if the judgement is collected;¶

(D) The violation is the direct result of fire, flood, utility failure, or other calamitous event, resulting in physical destruction of, or inaccessibility to, campaign finance or other related records. ("Calamitous event" means a phenomenon of an exceptional character, the effects of which could not have been reasonably prevented or avoided by the exercise of due care or foresight);¶

(e) The violation is the direct result of failure of a professional delivery service to deliver documents in the time guaranteed for delivery by written receipt of the service provider. This does not include delivery by fax.¶

(3)(a) Penalty Matrix. These mitigating circumstances may be considered in reducing, in whole or in part, the "Professional delivery service" means a document delivery service such as USPS, UPS, or FedEx. It does not include professional services hired to support the committee such as a professional treasurer or other vendor providing assistance with filings.¶

(b) Except as provided in (c) of this subsection, for the purpose of issuing a notice of proposed civil penalty or assessing a civil penalty, if the for any violation is a direct n Appendix A of this rule, the candidate of a principal campaign committee, the treasurer of an error by the elections filing officer, the violation is waived and no penalty is assessed. political action committee, the treasurer of a petition committee, the independent expenditure filer, or the authorized representative of the covered organization is the party named in a notice of proposed civil penalty and is the party responsible for the payment of any civil penalty if a penalty is assessed. This subsection does not prohibit another person from paying the civil penalty.¶

(b) For the purpose of issuing a notice of proposed civil penalty notice and subsequent imposition of a civil penalty for any violation in Appendix A of this rule, the candidate of a principal campaign committee, the treasurer of a political action committee, the treasurer of a petition committee, or the independent expenditure filer is the party named in a proposed penalty notice and is the party responsible for the payment of any civil penalty if a penalty is assessed. This subsection does not prohibit another person from paying the civil penalty of ORS 260.038(3)(b) or ORS 260.038(3)(c), the director or the chief petitioner, whichever is applicable based on the committee type, is the party named in a notice of proposed civil penalty and is the party responsible for the payment of any civil penalty if a penalty is assessed. If the committee names more than one director or chief petitioner, all directors or chief petitioners are jointly and severally responsible for the payment of any civil penalty if a civil penalty is assessed. This subsection does not prohibit another person from paying the civil penalty.¶

(5)(a) The only mitigating circumstances that will be considered for a violation of ORS 260.266 and OAR 165-012-0525 are:¶

(A) The violation is a direct result of a valid personal emergency of the candidate, treasurer, independent expenditure filer, or other individual responsible for complying with ORS 260.266 and OAR 165-012-0525. A valid personal emergency is an emergency, such as a serious personal illness or death in the immediate family of the candidate, treasurer, independent expenditure filer or other responsible individual which caused the violation to occur. Independent written verification must be provided to support the respondent's claim. A valid personal emergency does not include a common cold or flu, or a long-term illness where other arrangements could have been made;¶

(B) The violation is the direct result of an error by the Secretary of State, Elections Division;¶

(C) The violation is the direct result of fire, flood, utility failure or other calamitous event, resulting in physical destruction of, or inaccessibility to, campaign finance records. "Calamitous event" means a phenomenon of an exceptional character, the effects of which could not have been reasonably prevented or avoided by the exercise of due care or foresight;¶

(D) The violation is the direct result of failure of a professional delivery service to deliver documents in the time guaranteed for delivery by written receipt of the service provider. This does not include delivery by fax. "Professional delivery service" means a document delivery service such as USPS, UPS, or FedEx. It does not include professional services hired to support the committee such as a professional treasurer or other vendor providing assistance with filings; and¶

(E) The violation is the direct result of the failure of a person charged with or hired to produce the communication. This mitigating circumstance does not apply when an agent of the committee, including staff, caused the violation to occur.¶

(e) For the purposes of determining penalty amounts for violations of campaign finance violations covered by this rule Appendix A of this rule will apply assessing civil penalties in connection with violations of ORS 260.266 and OAR 165-012-0525, the person who was responsible for complying with ORS 260.266 and OAR 165-012-0525 is the party named in a notice of proposed civil penalty and is the party responsible for the payment of any civil penalty if a penalty is assessed. If more than one person was responsible for complying with ORS 260.266 and OAR 165-012-0525, all those persons are jointly and severally responsible for the payment of any civil penalty if a civil penalty is assessed. This subsection does not prohibit another person from paying the civil penalty.

Statutory/Other Authority: ORS 246.150, 260.200 ORS 260.016, Section 17, Chapter 9, Oregon Laws 2024,

Section 19a, Chapter 9, Oregon Laws 2024, Sections 24-25, Chapter 139, Oregon Laws 2026
Statutes/Other Implemented: ~~260.995, ORS 260.200, 260.215, 260.232~~ ORS 260.016, ORS 260.018, ORS
260.035, ORS 260.037, ORS 260.038, ORS 260.039, ORS 260.041, ORS 260.042, ORS 260.055, ORS 260.095,
ORS 260.118, ORS 260.266, ORS 260.402, ORS 260.407, ORS 260.409, ORS 260.416, ORS 260.715, Section 17,
Chapter 9, Oregon Laws 2024, Section 19a, Chapter 9, Oregon Laws 2024, Sections 24-25, Chapter 139, Oregon
Laws 2026

RULE ATTACHMENTS MAY NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

NOTE: Attachments referenced are attached to this document. You may view the attachment 165-013-0010.pdf from the Attachments panel. Alternately, you may view the attachments at the following link:

<https://secure.sos.state.or.us/oard/viewAttachment.action?ruleVrsnRsn=339623>