

OFFICE OF THE SECRETARY OF STATE  
TOBIAS READ  
SECRETARY OF STATE  
  
MICHAEL KAPLAN  
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION  
STEPHANIE CLARK  
DIRECTOR  
  
800 SUMMER STREET NE  
SALEM, OR 97310  
503-373-0701

## NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 165  
**SECRETARY OF STATE**  
**ELECTIONS DIVISION**

**FILED**

09/12/2025 4:02 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

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

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/21/2025 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.*

CONTACT: Coline Benson  
503-986-1518  
elections.sos@sos.oregon.gov

255 Capitol St NE  
ste 126  
Salem, OR 97310

Filed By:  
Coline Benson  
Rules Coordinator

### HEARING(S)

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

DATE: 11/07/2025

TIME: 1:00 PM - 1:30 PM

OFFICER: Coline Benson

### REMOTE HEARING DETAILS

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

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 229573700201

SPECIAL INSTRUCTIONS:

Passcode: Za2h4KA7

### NEED FOR THE RULE(S)

The amendments to this rule are necessary to implement penalties for new violations created by HB 4024 (2024) and to create 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 and to specify the party against whom a penalty will be imposed.

### DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

HB 4024 (2024)

### 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 guideline, 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 revise the existing penalty structure for repeat violations. HB 4024 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 HB 4024 was 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).*

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) specifies that violations must be penalized, the penalty amounts are set by this rule and will results in a fiscal and economic impact of these rules 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.

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

These rules apply to persons who violate Oregon election law. While small businesses may be involved in providing services to affected parties, they 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.

## WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 165-013-0010

**RULE SUMMARY:** The changes to this rule implement House Bill 4024 (2024) and make changes to the existing penalty structure for violations of Oregon election 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 disincentives 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 C~~The Campaign Finance Manual provides the mitigating circumstances that apply to late and insufficient filings. Oregon Administrative Rule 165-012-0525 provides the mitigating circumstances that apply to violations of that rule and ORS 260.266. Violations of sections 3, 4, 5, 5a, 9 or 13, chapter 9, Oregon Laws 2024 are not eligible for mitigating circumstances. The only mitigating circumstances that will be considered in a campaign finance violation otherwise covered by this rule include:¶¶

(a) The violation is a direct result of a valid personal emergency of the candidate, treasurer, alternate transaction filer, or independent expenditure filer. 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 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;¶

(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 in a criminal or civil action in a court of law or independently corroborated by a report of a law enforcement agency or insurer or the sworn testimony or affidavit of an accountant or bookkeeper or the person who actually engaged in the criminal activity. This mitigating circumstance does not apply to the treasurer, candidate, alternate transaction filer, or independent expenditure filer who was the perpetrator of the wrongdoing described above;¶

(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 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.~~ Except as provided in this rule, these mitigating circumstances may be considered in reducing, in whole or in part, the civil penalty. If the violation is a direct result of an error by the elections filing officer, the violation is waived and no penalty is assessed.¶

(b) ~~Except as provided in (c) of this subsection,~~ for the purpose of issuing a proposed 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.¶

(c) ~~For the purposes of determining penalty amounts for violations of campaign finance violations covered by this rule Appendix A of this rule will apply of issuing a proposed penalty notice and subsequent imposition of a civil penalty for a violation 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 proposed penalty notice 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.~~¶

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

(e) 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.

Statutory/Other Authority: ~~ORS 246.150, 260.200~~ 260.200, 246.150, HB 4024 (2024)

Statutes/Other Implemented: ~~260.995,~~ ORS 260.200, 260.995, 260.215, 260.232, HB 4024 (2024)

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

## Appendix A, OAR 165-013-0010, Penalty Matrix for Other Campaign Finance Violations

ORS	Description of election law	1 <sup>st</sup> violation Penalty Amount	2 <sup>nd</sup> violation	More than 2 violations
260.035(1)	Not later than the third business day after a political committee first receives a contribution or makes an expenditure, the political committee <del>shall</del> is required to appoint a treasurer who <del>shall</del> must be an elector of Oregon, certify the name and address of the treasurer to the filing officer, and file a statement of organization under ORS 260.039 or 260.042.	\$250	\$500	\$1,000
260.038(3)	In event of the death, resignation or removal of a treasurer before compliance with all obligations of a treasurer under ORS 260.035, a candidate, committee director, or chief petitioner is required to appoint and certify a successor no later than 14 days after the death, resignation, or removal.	\$250	\$500	\$1,000
260.039(5)	Any change in information to a statement of organization for a candidate <del>shall be</del>	\$250	\$500	\$1,000

	indicated is required to be indicated in an amended statement of organization filed not later than the 10th day after the change in information.			
260.041	It is prohibited for candidates to designate more than one principal campaign committee, and principal campaign committees are prohibited from serving for more than one candidate. Political committees are prohibited from serving as the principal campaign committee of more than one candidate. A candidate may only designate one principal campaign committee, and a principal campaign committee may not serve more than one candidate. A political committee may not be designated as the principal campaign committee of more than one candidate.	\$250	\$500	\$1,000
260.042(6)	Any change in information submitted in a statement of organization for a political committee shall be required to be indicated in an	\$250	\$500	\$1,000

	amended statement of organization filed not later than the 10th day after the change in information.			
260.055(3)	<p><b>Records related to</b></p> <p><del>a</del>Accounts kept by a candidate or treasurer <del>(documentation for a transaction)</del> <b>shall</b> <del>are</del> <b>required to</b> be preserved by the candidate or treasurer for at least two years after the date the statement of the contribution or expenditure is filed under ORS 260.057.</p>	\$250	\$500	\$1,000
260.095(1)(b)	<p>If a candidate, political committee or petition committee makes an expenditure that must be reported as both an in-kind contribution and an expenditure by the candidate, political committee or petition committee for whose benefit the expenditure was made, the candidate, political committee or petition committee making the original expenditure <del>shall</del> <b>is required to:</b> notify the candidate or committee for whose benefit the expenditure was made in writing that the expenditure was made; <b>and</b> deliver the notice not later</p>	\$250	\$500	\$1,000

	than 48 hours after the time that the candidate, political committee or petition committee making the original expenditure files the expenditure under ORS 260.057.			
260.118(1) & (2)	The chief petitioner of an initiative, referendum or recall petition <del>shall</del> <b>is required to</b> appoint a treasurer that is an Oregon elector, and the treasurer <del>shall</del> <b>is required to</b> file a statement of organization not later than the third business day after the chief petitioner or treasurer receives a contribution or makes an expenditure relating to the initiative, referendum or recall petition.	\$250	\$500	\$1,000
260.118(5)	If there is a change in the information submitted in a statement of organization, the treasurer <b>is required to</b> <del>shall</del> file an amended statement of organization not later than the 10th day after the change in information.	\$250	\$500	\$1,000

260.266	Political communications in support of a clearly identified candidate are required to include the “paid for by” statement along with all other required information included in the statute and OAR 165-012-0525.	\$250 or 150% of the total cost of the communication, whichever is less.	\$500 or 150% of the total cost of the communication, whichever is less.	150% of the total cost of the communication or \$1,000, whichever is greater.
260.402 (1) and 260.402 (3)	<p>It is prohibited to directly or indirectly reimburse a person for making a contribution or donation, or to make a contribution or donation in any name other than that of the person that in truth provided the contribution or donation.</p> <p>It is also prohibited to knowingly receive a contribution or donation in any name other than that of the person that in truth provided the contribution or donation, or to enter or cause it to be entered in the committee’s accounts or records in another name than that of the person that actually provided the contribution or donation.</p>	\$1,000 per violation		



260.407(1)(b)(A)	Amounts received as contributions by a candidate, the principal campaign committee of a candidate for public office, or the principal campaign committee of a candidate <del>may not be</del> are prohibited from being converted by any person to any personal use.	<p>\$1,000</p> <p><del>p</del>Plus amount converted</p>		
260.407(2)(b)(A)	Amounts received as contributions by a political committee that is not a principal campaign committee <del>may not be</del> are prohibited from being converted by any person to any personal use.	<p>\$1,000</p> <p><del>p</del>Plus amount converted</p>		
260.407(3)(b)(A)	Amounts received as contributions by the chief petitioner or treasurer of a petition committee <del>may not be</del> are prohibited from being converted by any person to any personal use.	<p>\$1,000</p> <p><del>p</del>Plus amount converted</p>		
260.409	A candidate or principal campaign committee of a candidate <del>may not</del> is prohibited from using amounts received as contributions by the candidate or committee to make an expenditure to, or on behalf of the candidate	\$250	\$500	\$1,000

	in consideration for the rendering of professional services by the candidate.			
Section 5a (1), chapter 9, Oregon Laws 2024	At the end of an election cycle, unexpended funds that remain in the accounts of a candidate political committee may be used only to a) refund contributions to contributors in amounts not exceeding the aggregate contribution received from each contributor during the election cycle; b) to make a contribution to another political committee as authorized under Section 5a (1), chapter 9, Oregon Laws 2024; c) to transfer any amount to the Campaign Finance Education Fund established by Section 5a (1), chapter 9, Oregon Laws 2024; or d) for purposes authorized under ORS 260.407, except that a contribution made under ORS 260.407 (1)(a)(C) must be made to an organization described in section 501(c)(3) of the Internal Revenue Code.	\$250	\$500	\$1,000

Section 5 (1)(a), chapter 9, Oregon Laws 2024	A person is prohibited from controlling more than one of each of the following types of committees at one time: principal campaign committee, multicandidate political committee, political party multicandidate committee, small donor political committee, membership organization political committee.	\$250	\$500	\$1,000
Section 9 (1), chapter 9, Oregon Laws 2024	A person is prohibited from directly or indirectly requiring employees or contractors to make political contributions or expenditures to support or oppose any candidate, including promising any benefit or threatening any detriment related to contributions or independent expenditures to support or oppose a candidate.	\$250	\$500	\$1,000
Section 9 (2), chapter 9, Oregon Laws 2024	A foreign national, foreign corporation or foreign entity is prohibited from directly or indirectly, making or offering to make a candidate campaign contribution or expenditure or making a donation used by an	\$1,000 per violation		

	entity to pay for candidate campaign independent expenditures.	
260.402(2), 260.715(10)	A person is prohibited from establishing an entity for the purpose of a) obscuring the original source of funds used to pay for candidate campaign independent expenditures or b) evading contribution limits or c) evading disclosure requirements.	\$1,000 per violation
Other campaign finance election law violations	Any other violation of campaign finance law under ORS chapters 246-260 or OAR Chapter 165, Division 12 that is not included in this table.	Penalties will be imposed under ORS 260.995 in an amount similar to those listed in this matrix.