## 2007 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 10 STATUS: C-Engrossed MINORITY REPORT

**SUBJECT:** Changes government ethics laws and reporting requirements

**GOVERNMENT UNIT AFFECTED:** Government Standards and Practices Commission

**PREPARED BY:** Adrienne Sexton

**REVIEWED BY:** Ken Rocco, Dallas Weyand

**DATE:** June 26, 2007

|                                     |                    | <u>2007-2009</u> | <u>2009-2011</u> |
|-------------------------------------|--------------------|------------------|------------------|
| <b>EXPENDITURES – General Fund:</b> |                    |                  |                  |
| Investigations                      |                    | \$<br>105,567    | \$<br>120,000    |
| Reporting                           |                    | 22,155           | 8,875            |
| Electronic Reporting System         |                    | 700,000          | 20,000           |
|                                     | Total General Fund | \$<br>827,722    | \$<br>148,875    |
| REVENUES – General Fund:            |                    |                  |                  |
| Civil Penalty Increase              |                    | \$<br>30,000     | \$<br>30,000     |
| POSITIONS/FTE:                      |                    |                  |                  |
| Compliance Specialist 1             |                    | 1/0.92           | 1/1.00           |

**EFFECTIVE DATE:** On passage.

**GOVERNOR'S BUDGET:** This bill was not anticipated by the Governor's recommended budget, but is included in the agency's legislatively adopted budget (HB 5025).

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure makes changes to current government ethics laws and requires additional and more frequent reporting of expenditure statements by lobbyists, lobbying entities, and statements of economic interest by public officials. The measure also authorizes public officials to establish legal expense trust funds to defray certain legal costs upon the approval of the Government Standards and Practices Commission (GSPC). An electronic online reporting system available to the public is also required to be developed and made available by January 1, 2010. The measure increases the amount of civil penalties for violations from a maximum \$1,000 to \$5,000.

The fiscal impact to GSPC identifies costs of additional investigatory activities related to the changes in ethics laws and reporting requirements included in the measure. The costs of the extra position were approved in HB 5025, the budget bill for GSPC, and the projected costs of development of the electronic reporting system is included in the Emergency Fund (SB 5549) as a special purpose appropriation with direction to GSPC to develop a plan and refined cost estimates for presentation to the Legislature in the February 2008 special session.