

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

MEASURE NUMBER: HB 2595- **Minority Report** **STATUS:** B-Engrossed
SUBJECT: Processes of the Government Standards and Practices Commission
GOVERNMENT UNIT AFFECTED: Government Standards and Practices Commission, Office of Administrative Hearings
PREPARED BY: Tim Walker
REVIEWED BY: Ken Rocco, Michelle Deister
DATE: June 23, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments.		

EFFECTIVE DATE: July 1, 2007

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

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: The measure would revise numerous process and regulation details of the Government Standards and Practices Commission (GSPC) program authority. Most have no direct fiscal impact.

Under current law, GSPC's process of investigating an allegation of violation of law by a public official includes two phases. Once the GSPC determines at the end of the second, Investigatory Phase that a violation has occurred, the commission can take action to move to a contested case proceeding, seek a negotiated settlement, or take other appropriate action based on the findings. If the order is to move to a contested case hearing, the public official may elect that the case be adjudicated in circuit court, rather than proceed through the administrative hearings process at the Office of Administrative Hearings (OAH) in the Employment Department. The measure would remove that option, while leaving intact the ability of the person to file an action in circuit court for the award of attorney fees if the person prevails. GSPC reports that because the measure would also increase the maximum civil penalty amount from \$1,000 to \$5,000, there could be an increase in contested cases but the volume cannot be predicted. The OAH indicates the typical cost of a contested case hearing is approximately \$1,100; any increase in workload would be absorbed within budgeted resources.

The measure would require a designated person in each public body to provide information regarding statements of economic interest (SEI) to newly elected or appointed public officials who are required to file the statements with the GSPC. Current law requires this of only city and county office holders, and directs GSPC to provide information. The GSPC does have publications and information available which can be accessed by the designated person to explain the requirements. In addition, the measure would remove an exception to filing SEIs by certain public officials in cities or counties where a majority of votes were cast in opposition to a 1974 ballot measure on the issue of filing SEIs. This would nominally increase the volume of SEIs filed, which would be absorbed within budgeted resources.

The measure also clarifies the circumstances in which a public official can hire, appoint, supervise, fire or promote relatives; changes the name of the Oregon Government Standards and Practices Commission to the Oregon Government Ethics Commission; allows a person subject to a contested case hearing to request that the commission file a lawsuit against the person in Marion County Court in lieu of a contested case hearing; and requires a decision by an administrative law judge in a contested case hearing to be final.