

# Senate Bill 494

Sponsored by COMMITTEE ON RULES (at the request of Oregon Law Commission)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits member of Legislative Assembly from participating in consideration of matter in regard to which member has actual conflict of interest. Allows member to vote on matter on floor of Senate or House of Representatives if allowed by rules of relevant house.

Specifies when elected public official, other than judge or member of Legislative Assembly, and appointed public official may vote on matter in regard to which public official has actual conflict of interest.

Specifies that recommendation made by public official in budgeting process or negotiation regarding salary of public official, relative or member of household is not conflict of interest or use of office for impermissible financial gain. Specifies that interest in individual item in mutual fund is not conflict of interest.

Repeals separate conflict of interest rules for members of planning commissions.

Modifies requirements for declaring conflict of interest when conflict arises out of association with tax-exempt nonprofit corporation.

Expands certain definitions of "relative" and "member of household."

## A BILL FOR AN ACT

1  
2 Relating to government ethics; creating new provisions; amending ORS 244.020, 244.040, 244.120,  
3 293.708 and 469.810; and repealing ORS 244.135.

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

5 **SECTION 1.** ORS 244.120 is amended to read:

6 244.120. *[(1) Except as provided in subsection (2) of this section, when met with an actual or po-*  
7 *tential conflict of interest, a public official shall:]*

8 *[(a) If the public official is a member of the Legislative Assembly, announce publicly, pursuant to*  
9 *rules of the house of which the public official is a member, the nature of the conflict before taking any*  
10 *action thereon in the capacity of a public official.]*

11 *[(b)]* **(1)(a)** *[If the public official is a judge,]* **When met with an actual or potential conflict**  
12 **of interest, a judge shall** remove the judge from the case giving rise to the conflict or advise the  
13 parties of the nature of the conflict.

14 **(b) If paragraph (a) of this subsection conflicts with a rule of judicial conduct established**  
15 **by the Oregon Supreme Court, a judge shall comply with the requirements of the rule of ju-**  
16 **dicial conduct.**

17 **(2)(a) When met with a potential conflict of interest, a member of the Legislative As-**  
18 **sembly shall announce publicly, pursuant to the rules of the relevant house of the Legislative**  
19 **Assembly, the nature of the potential conflict before taking action thereon in the capacity**  
20 **of a member.**

21 **(b) Except as provided in this subsection and subsection (6) of this section, when met**  
22 **with an actual conflict of interest, a member of the Legislative Assembly shall announce**  
23 **publicly, pursuant to the rules of the relevant house of the Legislative Assembly, the nature**  
24 **of the actual conflict and refrain, in committee, on the floor of the relevant house of the**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **Legislative Assembly and in any other legislative meeting, including legislative caucus**  
 2 **meetings, from participating as a member in any discussion or debate on the matter out of**  
 3 **which the actual conflict arises and refrain from voting on the matter. If allowed by the**  
 4 **rules of the relevant house of the Legislative Assembly, the member may vote on the matter**  
 5 **when it is considered by the Senate or House of Representatives.**

6 *[(c) If the public official is any other appointed official subject to this chapter, notify in writing the*  
 7 *person who appointed the public official to office of the nature of the conflict, and request that the ap-*  
 8 *pointing authority dispose of the matter giving rise to the conflict. Upon receipt of the request, the ap-*  
 9 *pointing authority shall designate within a reasonable time an alternate to dispose of the matter, or*  
 10 *shall direct the official to dispose of the matter in a manner specified by the appointing authority.]*

11 *[(2)]* **(3)(a)** An elected public official~~[, other than a member of the Legislative Assembly,]~~ or an  
 12 appointed public official ~~[serving]~~ **who serves** on a board or commission~~[,] shall:~~

13 *[(a)]* **(A)** When met with a potential conflict of interest, announce publicly the nature of the  
 14 potential conflict prior to taking any action thereon in the capacity of a public official; or

15 *[(b)]* **(B)** When met with an actual conflict of interest, announce publicly the nature of the actual  
 16 conflict and~~[,]~~

17 *[(A)]* except as provided in ~~[subparagraph (B) of this paragraph]~~ **subsections (4) and (6) of this**  
 18 **section**, refrain from participating as a public official in any discussion or debate on the ~~[issue]~~  
 19 **matter** out of which the actual conflict arises ~~[or]~~ **and refrain** from voting on the ~~[issue]~~ **matter.**

20 **(b) This subsection does not apply to a public official who is a judge or a member of the**  
 21 **Legislative Assembly.**

22 *[(B)]* **(4)** *[If any]* **When a public official described in subsection (3) of this section is met**  
 23 **with an actual conflict of interest and the** public official's vote is necessary to meet a require-  
 24 ment of a minimum number of votes to take official action, ~~[be eligible to]~~ **the public official may**  
 25 **vote[,] but may not [to] participate** as a public official in any discussion or debate on the ~~[issue]~~  
 26 **matter** out of which the actual conflict arises. **For purposes of this subsection:**

27 **(a) The minimum number of votes to take official action means the number of votes**  
 28 **necessary to make a valid decision, including decisions when a proposed action fails because**  
 29 **the result is a tie vote or other result that means no action or change in policy; and**

30 **(b) Unless a decision is required by law, the vote of a public official met with an actual**  
 31 **conflict of interest is not necessary if the minimum number of votes may be cast by other**  
 32 **public officials, even if the result is a tie vote or other result that means no action or change**  
 33 **in policy.**

34 **(5) Except as provided in subsection (6) of this section, when met with an actual or po-**  
 35 **tential conflict of interest, a public official not described in subsections (1) to (4) of this**  
 36 **section shall notify in writing the person who hired, appointed or supervises the public offi-**  
 37 **cial of the nature of the conflict and request that the person dispose of the matter giving**  
 38 **rise to the conflict. Upon receipt of the request, the person shall designate within a reason-**  
 39 **able time an alternate to dispose of the matter, or shall direct the public official to dispose**  
 40 **of the matter in a manner specified by the person.**

41 **(6) When a public official is met with an actual conflict of interest that arises out of**  
 42 **membership in or membership on the board of directors of a nonprofit corporation that is**  
 43 **tax exempt under section 501(c) of the Internal Revenue Code, the public official may par-**  
 44 **ticipate as a public official in any discussion or debate on the matter out of which the actual**  
 45 **conflict arises and may vote or otherwise act on the matter. This subsection does not apply**

1 **to a public official who is a judge.**

2 [(3)] (7) [Nothing in subsection (1) or (2) of this section requires] **Subsections (1) to (6) of this**  
 3 **section do not require** any public official to announce a conflict of interest more than once [on the  
 4 occasion which] **when** the matter out of which the conflict arises is discussed, [or] debated **or voted**  
 5 **upon.**

6 [(4)] (8) [Nothing in] This section [authorizes] **does not authorize** a public official to vote if the  
 7 **public** official is otherwise prohibited from doing so.

8 **SECTION 2.** ORS 244.020 is amended to read:

9 244.020. As used in this chapter, unless the context requires otherwise:

10 (1) "Actual conflict of interest" means any action or any decision or recommendation by a  
 11 [person acting in a capacity as a] public official **acting in an official capacity**, the effect of which  
 12 would be to the private pecuniary benefit or detriment of the [person] **public official** or [the  
 13 person's] **a relative or member of the household of the public official** or any business with which  
 14 the [person] **public official** or a relative **or member of the household** of the [person] **public offi-**  
 15 **cial** is associated, unless the pecuniary benefit or detriment arises out of circumstances described  
 16 in subsection (14) of this section.

17 (2) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise,  
 18 association, organization, self-employed individual and any other legal entity operated for economic  
 19 gain [but excluding any], **including an** income-producing not-for-profit corporation that is tax exempt  
 20 under section 501(c) of the Internal Revenue Code [with which a public official or a relative of the  
 21 public official is associated only as a member or board director or in a nonremunerative capacity].

22 (3) "Business with which the [person] **public official** is associated" means:

23 (a) Any private business or closely held corporation, **including an income-producing not-for-**  
 24 **profit corporation that is tax exempt under section 501(c) of the Internal Revenue Code**, of  
 25 which the [person] **public official** or [the person's] **a relative or member of the household of the**  
 26 **public official** is a director, officer, owner, [or] employee[,] or agent or any private business or  
 27 closely held corporation, **including an income-producing not-for-profit corporation that is tax**  
 28 **exempt under section 501(c) of the Internal Revenue Code**, in which the [person] **public official**  
 29 or [the person's] **a relative or member of the household of the public official** owns or has owned  
 30 stock[, another] **or other** form of equity interest, stock options or debt instruments worth \$1,000 or  
 31 more at any point in the preceding calendar year;

32 (b) Any publicly held corporation in which the [person] **public official** or [the person's] **a relative**  
 33 **or member of the household of the public official** owns or has owned \$100,000 or more in stock  
 34 or [another] **other** form of equity interest, stock options or debt instruments at any point in the  
 35 preceding calendar year;

36 (c) Any publicly held corporation of which the [person] **public official** or [the person's] **a relative**  
 37 **or member of the household of the public official** is a director or officer; or

38 (d) For public officials required to file a statement of economic interest under ORS 244.050, any  
 39 business from which 50 percent or more of the total annual income of the [person] **public official**  
 40 and **the relatives and** members of the [person's] household **of the public official** is derived during  
 41 the current calendar year.

42 (4) "Commission" means the Oregon Government Standards and Practices Commission.

43 (5) "Development commission" means any entity [which] **that** has the authority to purchase,  
 44 develop, improve or lease land or the authority to operate or direct the use of land. [This] **The** au-  
 45 **thority described in this subsection** must be more than ministerial.

1 (6) “Expenditure” has the meaning given that term in ORS 260.005.

2 (7) “Gift” means something of economic value given to a public official or [*the public official's*]  
 3 **a relative or member of the household of the public official** without valuable consideration of  
 4 equivalent value, including the full or partial forgiveness of indebtedness, [*which*] **that** is not ex-  
 5 tended to others who are not public officials or [*the*] relatives **or members of the households** of  
 6 public officials on the same terms and conditions, **or** [*; and*] something of economic value given to  
 7 a public official or [*the public official's*] **a relative or member of the household of the public of-**  
 8 **icial** for valuable consideration less than that required from others who are not public officials **or**  
 9 **relatives or members of the households of public officials.** However, “gift” does not mean:

10 (a) Campaign contributions, as described in ORS chapter 260.

11 (b) Gifts from [*family members*] **relatives or members of the household of the public**  
 12 **official.**

13 (c) The giving or receiving of food, lodging and travel when participating in an event [*which*]  
 14 **that** bears a relationship to the public official’s office and when appearing in an official capacity,  
 15 subject to the reporting requirement of ORS 244.060 (6).

16 (d) The giving or receiving of food or beverage if the food or beverage is consumed by the public  
 17 official or [*the public official's relatives*] **a relative or member of the household of the public of-**  
 18 **icial** in the presence of the purchaser or provider [*thereof*] **of the food or beverage.**

19 (e) The giving or receiving of entertainment if the entertainment is experienced by the public  
 20 official or [*the public official's relatives*] **a relative or member of the household of the public of-**  
 21 **icial** in the presence of the purchaser or provider [*thereof*] **of the entertainment** and the value  
 22 of the entertainment does not exceed \$100 per person on a single occasion and is not greater than  
 23 \$250 in any one calendar year.

24 (8) “Honoraria” means a payment or something of economic value given to a public official in  
 25 exchange for services upon which custom or propriety prevents the setting of a price. Services in-  
 26 clude, but are not limited to, speeches or other services rendered in connection with an event at  
 27 which the public official appears in an official capacity.

28 (9) “Income” means income of any nature derived from any source, including, but not limited to,  
 29 any salary, wage, advance, payment, dividend, interest, rent, honoraria, return of capital, forgiveness  
 30 of indebtedness, or anything of economic value.

31 (10) “Legislative or administrative interest” means an economic interest, distinct from that of  
 32 the general public, in one or more bills, resolutions, regulations, proposals or other matters subject  
 33 to the action or vote of a [*person acting in the capacity of a*] public official **acting in an official**  
 34 **capacity.**

35 (11) “Legislative official” means any member or member-elect of the Legislative Assembly, any  
 36 member of an agency, board or committee that is part of the legislative branch and any staff person,  
 37 assistant or employee [*thereof*] **of the legislative branch.**

38 (12) “Member of **the** household” means any [*relative*] **person** who resides with the public official.

39 (13) “Planning commission” means a county planning commission created under ORS chapter 215  
 40 or a city planning commission created under ORS chapter 227.

41 (14) “Potential conflict of interest” means any action or any decision or recommendation by a  
 42 [*person acting in a capacity as a*] public official **acting in an official capacity**, the effect of which  
 43 could be to the private pecuniary benefit or detriment of the [*person*] **public official** or [*the*  
 44 *person's*] **a relative or member of the household of the public official**[,] or [*a*] **any** business with  
 45 which the [*person*] **public official** or [*the person's*] **a relative or member of the household of the**

1 **public official** is associated, unless the pecuniary benefit or detriment arises out of the following:

2 (a) An interest or membership in a particular business, industry, occupation or other class re-  
3 quired by law as a prerequisite to the holding by the *[person]* **public official** of the office or **official**  
4 position.

5 (b) Any action *[in the person's]* **by a public official acting in an** official capacity *[which]* **that**  
6 would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class  
7 consisting of an industry, occupation or other group, including *[one]* **a class** of which or in which  
8 the *[person]* **public official**, *[or the person's]* **a relative or member of the household of the public**  
9 **official** or **a business** with which the *[person]* **public official** or *[the person's]* **a relative or member**  
10 **of the household of the public official** is associated, is a member or is engaged. The commission  
11 may by rule limit the minimum size of or otherwise establish criteria for or identify the smaller  
12 classes that qualify under this exception.

13 *[(c) Membership in or membership on the board of directors of a nonprofit corporation that is*  
14 *tax-exempt under section 501(c) of the Internal Revenue Code.]*

15 (c) **Any recommendation made by a public official in any budgeting process or other ne-**  
16 **gotiation with respect to the salary or other compensation of the public official or a relative**  
17 **or member of the household of the public official, when the recommendation with respect to**  
18 **the salary or other compensation of the public official or a relative or member of the**  
19 **household of the public official is made as part of the official duties or responsibilities of the**  
20 **public official.**

21 (d) **An interest in an individual item involved in a mutual fund.**

22 (15) "Public official" means any person who, when an alleged violation of **any provision of** this  
23 chapter occurs, is serving the State of Oregon or any of its political subdivisions or any other public  
24 body of the state as an officer, employee, agent or otherwise, and irrespective of whether the person  
25 is compensated for such services.

26 (16) "Relative" means:

27 (a) The spouse of the public official[,];

28 (b) Any children, **stepchildren or spouses of children or stepchildren** of the public official  
29 or of the public official's spouse[, *and brothers, sisters*];

30 (c) **Siblings, half siblings, spouses of siblings or half siblings**, *[or]* **parents or stepparents**  
31 of the public official or of the public official's spouse;

32 (d) **The domestic partner of the public official;**

33 (e) **Any individual for whom the public official has a legal support obligation; and**

34 (f) **Any individual for whom the public official provides benefits arising from the public**  
35 **official's public employment or from whom the public official receives benefits arising from**  
36 **that individual's employment.**

37 (17) "Statement of economic interest" means a statement as described *[by]* **in** ORS 244.060 to  
38 244.080.

39 (18) "Statewide official" means the Secretary of State or Secretary of State-elect, State Treas-  
40 urer or State Treasurer-elect, Superintendent of Public Instruction or Superintendent-elect of Public  
41 Instruction, Attorney General or Attorney General-elect and the Commissioner of the Bureau of  
42 Labor and Industries or the Commissioner-elect of the Bureau of Labor and Industries.

43 (19) "Zoning commission" means an entity to which is delegated at least some of the discre-  
44 tionary authority of a planning commission or governing body relating to zoning and land use mat-  
45 ters.

1       **SECTION 3.** ORS 244.040 is amended to read:

2       244.040. *[The following actions are prohibited regardless of whether actual conflicts of interest or*  
3 *potential conflicts of interest are announced or disclosed pursuant to ORS 244.120:]*

4       *[(1)(a)]* (1) *[No]* **Except as provided in subsection (2) of this section, a public official** *[shall]*  
5 **may not** use or attempt to use official position or office to obtain financial gain or avoidance of  
6 financial detriment *[that would not otherwise be available but for the public official's holding of the*  
7 *official position or office, other than official salary, honoraria, except as prohibited in paragraphs (b)*  
8 *and (c) of this subsection, reimbursement of expenses or an unsolicited award for professional*  
9 *achievement]* for the public official or *[the public official's relative]* **a relative or member of the**  
10 **household of the public official***[,]* or *[for]* any business with which the public official or a relative  
11 **or member of the household** of the public official is associated, **if the financial gain or avoid-**  
12 **ance of financial detriment would not otherwise be available but for the public official's**  
13 **holding of the official position or office.**

14       (2) **Subsection (1) of this section does not apply to:**

15       **(a) Official salary;**

16       **(b) Honoraria except as prohibited in this section;**

17       **(c) Reimbursement of expenses;**

18       **(d) An unsolicited award for professional achievement; or**

19       **(e) Any recommendation made by a public official in any budgeting process or other ne-**  
20 **gotiation with respect to the salary or other compensation of the public official or a relative**  
21 **or member of the household of the public official, when the recommendation with respect to**  
22 **the salary or other compensation of the public official or a relative or member of the**  
23 **household of the public official is made as part of the official duties or responsibilities of the**  
24 **public official.**

25       *[(b)]* (3)(a) *[No]* **A statewide official** *[shall]* **may not** solicit or receive, *[whether]* directly or in-  
26 directly, honoraria for the statewide official or for any **relative or** member of the household of the  
27 **statewide** official. *[No]* **A candidate for statewide office** *[shall]* **may not** solicit or receive,  
28 *[whether]* directly or indirectly, honoraria for the candidate or for any **relative or** member of the  
29 household of the candidate.

30       *[(c)]* (b) *[No]* **A legislative official** *[shall]* **may not** solicit or receive, *[whether]* directly or indi-  
31 directly, honoraria in an amount in excess of \$1,500 or in any amount for an appearance within the  
32 state or for an appearance during a legislative session, regardless of location, for the legislative  
33 official or for any **relative or** member of the household of the **legislative** official, except that a  
34 legislative official may solicit or receive honoraria for services performed in relation to the private  
35 profession or occupation of the legislative official. *[No]* **A candidate for legislative office** *[shall]* **may**  
36 **not** solicit or receive, *[whether]* directly or indirectly, honoraria in an amount in excess of \$1,500  
37 or in any amount for an appearance within the state for the candidate or for any **relative or**  
38 **member of the household of the candidate, except that a candidate for legislative office may solicit**  
39 **or receive honoraria for services performed in relation to the private profession or occupation of the**  
40 **legislative** *[official]* **candidate.**

41       *[(d)]* (c) Any public official not described in paragraph (a) or (b) *[or (c)]* of this subsection or a  
42 **relative or** member of the *[public official's]* household **of the public official** may receive honoraria.

43       (2) (4) *[No]* **A public official or candidate for public office or a relative or member of the**  
44 **household** of the public official or candidate *[shall]* **may not** solicit or receive, *[whether]* directly  
45 or indirectly*[,]* during any calendar year, any gift or gifts with an aggregate value in excess of \$100

1 from any single source who could reasonably be known to have a legislative or administrative in-  
 2 terest in any governmental agency in which the **public** official has or the candidate if elected would  
 3 have any official position or over which the **public** official exercises or the candidate if elected  
 4 would exercise any authority.

5 [(3)] (5) [No] A public official [shall] **may not** solicit or receive, [either] directly or indirectly,  
 6 and [no person shall] a **person may not** offer or give to any public official, any pledge or promise  
 7 of future employment[,] based on any understanding that [such] **the** public official's vote, official  
 8 action or judgment would be influenced [thereby] **by the pledge or promise.**

9 [(4)] (6) [No] A public official [shall] **may not** attempt to further or further the personal gain  
 10 of the public official through the use of confidential information gained in the course of or by reason  
 11 of the official position or activities of the public official in any way.

12 [(5)] (7) [No person shall] A **person may not** offer during any calendar year any **gift or** gifts  
 13 with an aggregate value in excess of \$100 to any public official or candidate [therefor] **for public**  
 14 **office** or a relative **or member of the household** of the public official or candidate if the person  
 15 has a legislative or administrative interest in [a] **any** governmental agency in which the **public** of-  
 16 ficial has or the candidate if elected would have any official position or over which the **public** offi-  
 17 cial exercises or the candidate if elected would exercise any authority.

18 [(6)] (8) [No person shall] A **person may not** attempt to represent or represent a client for a  
 19 fee before the governing body of a public body of which the person is a member. This subsection  
 20 does not apply to the person's employer, business partner or other associate.

21 **(9) The provisions of this section apply regardless of whether actual conflicts of interest**  
 22 **or potential conflicts of interest are announced or disclosed under ORS 244.120.**

23 **SECTION 4.** ORS 293.708 is amended to read:

24 293.708. (1) As used in this section:

25 (a) "Business" has the meaning given that term in ORS 244.020.

26 (b) "Business with which the [person] **public official** is associated" has the meaning given that  
 27 term in ORS 244.020.

28 (c) "Relative" has the meaning given that term in ORS 244.020.

29 (2) When a **public official who is a** member of the Oregon Investment Council becomes aware  
 30 that action on a matter pending before the council might lead to private pecuniary benefit or detri-  
 31 ment to the [person] **public official**, to a relative of the [person] **public official** or to a business  
 32 with which the [person] **public official** or a relative of the [person] **public official** is associated, the  
 33 [member] **public official** shall notify in writing the State Treasurer or the Chief Deputy State  
 34 Treasurer that any action, decision or recommendation by the [member] **public official** might con-  
 35 stitute an actual or potential conflict of interest. The [member] **public official** shall provide the no-  
 36 tice not later than three business days after the [member] **public official** becomes aware of the  
 37 possibility of an actual or potential conflict.

38 (3) Subsection (2) of this section does not apply if the pecuniary benefit or detriment arises out  
 39 of circumstances described in ORS 244.020 (14)(a) to (c).

40 (4) Nothing in this section excuses a **public official who is a** member of the council from com-  
 41 pliance with ORS 244.120.

42 **SECTION 5.** ORS 469.810 is amended to read:

43 469.810. (1) A Pacific Northwest Electric Power and Conservation Planning Council member[,]  
 44 or member of the council member's household[, as defined in ORS 244.020, shall] **may not** own or  
 45 have any beneficial interest in any stock or indebtedness of any utility or direct service industry.

1 (2) A council member[,] or a member of [a] **the** council member’s household[, *as defined in ORS*  
 2 *244.020, shall*] **may** not be a director, officer, agent or employee of any utility or direct service in-  
 3 dustry.

4 (3) A council member[,] or a member of [a] **the** council member’s household[, *as defined in ORS*  
 5 *244.020, shall*] **may** not be a director, officer, agent or employee of or hold any proprietary interest  
 6 in any consulting firm [*which*] **that** does business with any utility or direct service industry.

7 (4) A council member[,] or a member of the council member’s household[, *as defined in ORS*  
 8 *244.020, shall*] **may** not receive any compensation from any utility or direct service industry arising  
 9 out of the member’s business, trade or profession.

10 (5) A council member [*shall be considered*] **is** a public official [*and be*] subject to the provisions  
 11 **and reporting requirements** of ORS chapter 244[, *including the reporting requirements thereof*].

12 (6) A council member [*shall*] **must** be a citizen of the United States and [*have been a resident*  
 13 *of*] **must have resided in** the State of Oregon for **at least** one year preceding appointment.

14 (7) A council member [*shall*] **may** not hold any other elected or appointed [*public*] lucrative  
 15 **public** office or be principally engaged in any other business or vocation.

16 (8) As used in this section:

17 (a) “Beneficial interest” does not include an interest in a pension fund, a mutual fund or an in-  
 18 surance fund.

19 (b) “Consulting firm” means any corporation, partnership or sole proprietorship whose principal  
 20 business is providing personal services.

21 (c) “Member of the household” means any relative who resides with the council member.

22 (d) “Relative” means the spouse of the council member, any children of the council  
 23 member or of the council member’s spouse, and brothers, sisters or parents of the council  
 24 member or of the council member’s spouse.

25 [(c)] (e) “Utility or direct service industry” means a utility or direct service industry customer  
 26 that purchases electrical energy directly from the Bonneville Power Administration.

27 **SECTION 6. ORS 244.135 is repealed.**

28 **SECTION 7. (1) The amendments to ORS 244.120 and 293.708 by sections 1 and 4 of this**  
 29 **2007 Act apply to actual or potential conflicts of interest that arise on or after the effective**  
 30 **date of this 2007 Act.**

31 **(2) The amendments to ORS 244.020 and 244.040 by sections 2 and 3 of this 2007 Act apply**  
 32 **to activities that occur on or after the effective date of this 2007 Act.**

33 **(3) The repeal of ORS 244.135 by section 6 of this 2007 Act applies to any direct or sub-**  
 34 **stantial financial interest that arises on or after the effective date of this 2007 Act.**

35