

B-Engrossed
Senate Bill 700

Ordered by the House June 23
Including Senate Amendments dated May 10 and House Amendments
dated June 23

Sponsored by COMMITTEE ON LEGISLATIVE OPERATIONS AND REFORM

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.

Changes membership of Public Officials Compensation Commission. Requires commission to review and make recommendations to Governor, Legislative Assembly and Chief Justice of Supreme Court regarding salaries of specified elective officers and members of Legislative Assembly. Directs Governor to include recommended salaries in Governor's budget report. Directs Legislative Assembly to consider salary recommendations in preparing budget for state.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to public office; creating new provisions; amending ORS 171.072, 292.430, 292.907, 292.912,
3 292.917 and 292.930; repealing ORS 292.313, 292.405, 292.410, 292.415, 292.425 and 292.920; and
4 declaring an emergency.

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

6 **SECTION 1.** ORS 292.907 is amended to read:

7 292.907. (1) There is established a Public Officials Compensation Commission consisting of
8 *[seven]* **11** members *[of whom two are appointed by the Governor, two by the Speaker of the House of*
9 *Representatives, two by the President of the Senate and one by the Chief Justice of the Supreme Court*
10 *of the State of Oregon.]* **appointed or selected as follows:**

11 **(a) Two members who have a background in compensation management, appointed by the**
12 **Governor, subject to confirmation by the Senate under ORS 171.562 and 171.565;**

13 **(b) One member appointed by the Chief Justice of the Supreme Court;**

14 **(c) One member appointed by the President of the Senate;**

15 **(d) One member appointed by the Speaker of the House of Representatives; and**

16 **(e) Six members selected by lot by the Secretary of State in the manner described in**
17 **section 3 of this 2007 Act.**

18 (2) The term of office of each member is four years. A member is eligible for reappointment **or**
19 **reselection**. If there is a vacancy for any cause, the *[appointing]* authority having made the ap-
20 pointment **or selection** of the member representing the vacancy[,] shall make an appointment **or**
21 **selection** to become immediately effective for the unexpired term.

22 *[(3) No person who holds an office or position the salary of which is subject to ORS 292.907 to*
23 *292.930 shall be eligible to serve on the commission.]*

24 **(3)(a) None of the following is eligible to serve on the commission:**

25 **(A) An individual who holds an office or position the salary of which is subject to ORS**

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.

1 292.907 to 292.930;

2 (B) A member of the individual's household; or

3 (C) A relative of the individual.

4 (b) As used in this subsection:

5 (A) "Member of the individual's household" means any person who resides with an indi-
6 vidual who holds an office or position the salary of which is subject to ORS 292.907 to 292.930.

7 (B) "Relative" means the spouse or domestic partner of an individual who holds an office
8 or position the salary of which is subject to ORS 292.907 to 292.930, any children of the indi-
9 vidual or of the individual's spouse or domestic partner, and brothers, sisters, half brothers,
10 half sisters, brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, mothers-in-law,
11 fathers-in-law, aunts, uncles, nieces, nephews, stepparents, stepchildren or parents of the
12 individual or of the individual's spouse or domestic partner.

13 (4) To be eligible to serve on the commission, an individual must have voted in the two
14 general elections next preceding the individual's appointment, reappointment, selection or
15 reselection.

16 SECTION 2. Section 3 of this 2007 Act is added to and made a part of ORS 292.907 to
17 292.930.

18 SECTION 3. (1) The Secretary of State shall select by lot from elector registration re-
19 cords six persons for membership on the Public Officials Compensation Commission. The
20 Secretary of State shall select one elector from each congressional district and one elector
21 from the state at large.

22 (2) The Secretary of State shall adopt rules concerning the method by which electors are
23 selected by lot. The rules shall include but are not limited to:

24 (a) Procedures for notifying the electors selected;

25 (b) Procedures for making a new selection by lot if an elector who is selected declines
26 to serve on the commission; and

27 (c) Procedures for filling a vacancy on the commission if a selected member does not
28 complete the member's term.

29 SECTION 4. (1) Notwithstanding the term of office specified in ORS 292.907, the term of
30 office of each member of the Public Officials Compensation Commission immediately prior
31 to the effective date of this 2007 Act expires on the effective date of this 2007 Act.

32 (2) A member whose term of office expires as provided in subsection (1) of this section
33 is eligible for reappointment or selection to the commission.

34 (3) New members shall be appointed or selected to serve on the commission on or after
35 the effective date of this 2007 Act.

36 (4) Notwithstanding the term of office specified in ORS 292.907, of the members first ap-
37 pointed or selected to serve on the commission on or after the effective date of this 2007 Act:

38 (a) Two of the appointed members shall serve for terms ending January 1, 2009;

39 (b) Three of the appointed members shall serve for terms ending January 1, 2010;

40 (c) Three of the members selected as provided in section 3 of this 2007 Act shall serve
41 for terms ending January 1, 2011; and

42 (d) Three of the members selected as provided in section 3 of this 2007 Act shall serve
43 for terms ending January 1, 2012.

44 SECTION 5. ORS 292.912 is amended to read:

45 292.912. (1) The Public Officials Compensation Commission shall review and make recommen-

1 dations *[to the Legislative Assembly regarding]* **as to the amount of the annual salary [of] to be**
2 **paid to each elective** officer subject to ORS 292.907 to 292.930 and *[all compensation of members]*
3 **to each member** of the Legislative Assembly for the succeeding biennium.

4 (2) *[Such recommendations shall be]* **The commission shall establish the salary recommen-**
5 **dations** based upon the following criteria:

6 (a) Comparable positions in neighboring states.

7 (b) The qualifications and skills necessary for each office.

8 (c) The level of responsibility implicit in each office.

9 (d) The cost of living.

10 (e) The total compensation of the positions, including benefits other than salary.

11 (f) Budget limitations.

12 (g) Any other factors the commission may consider to be reasonable, appropriate and in the
13 public interest.

14 *[(3) The commission shall cause to have prepared legislative measures that would implement the*
15 *commission's recommendations on salaries of officers subject to ORS 292.907 to 292.930 and all com-*
16 *penetration of members of the Legislative Assembly for the succeeding biennium.]*

17 **(3) The commission shall meet on or before September 1 of each even-numbered year to**
18 **review and establish the salary recommendations. The commission may meet at other times**
19 **as the commission determines necessary to carry out its duties. On or before November 10**
20 **of each even-numbered year, the commission shall complete a report that lists the salaries**
21 **recommended by the commission and send the report to the Governor, the President of the**
22 **Senate, the Speaker of the House of Representatives and the Chief Justice of the Supreme**
23 **Court.**

24 **(4) The Governor shall include the recommended salaries in the budget report prepared**
25 **as required by ORS 291.216, and the Legislative Assembly shall consider the salary recom-**
26 **mendations in preparing a budget for the state.**

27 **SECTION 6.** ORS 292.917 is amended to read:

28 292.917. (1) The Public Officials Compensation Commission shall select one of its members as
29 chairperson and another as vice chairperson, for such terms and with **such** duties and powers nec-
30 cessary for the performance of the functions of *[such]* **the** offices as the commission determines.

31 (2) A majority of the members of the commission constitutes a quorum for the transaction of
32 business.

33 *[(3) The commission shall meet as frequently as the proper and efficient discharge of its duties may*
34 *require.]*

35 **(3) If a quorum is present when a vote is taken, the affirmative vote of a majority of the**
36 **members present is required for the commission to establish salary recommendations under**
37 **ORS 292.912.**

38 (4) A member of the commission *[shall be]* **is** eligible for compensation and expenses under ORS
39 292.495.

40 (5) The *[Personnel Division]* **Oregon Department of Administrative Services** shall assist the
41 *[Public Officials Compensation]* commission in carrying out its functions.

42 **SECTION 7.** ORS 292.930 is amended to read:

43 292.930. Each of the following elective officers shall be paid an annual salary on a monthly
44 basis: *[as determined by the Legislative Assembly each biennium beginning July 1, 1985:]*

45 (1) Governor.

- 1 (2) Secretary of State.
- 2 (3) State Treasurer.
- 3 (4) Attorney General.
- 4 (5) Superintendent of Public Instruction.
- 5 (6) Commissioner of the Bureau of Labor and Industries.
- 6 **(7) Chief Judge of the Court of Appeals.**
- 7 [(7)] **(8) Court of Appeals Judge.**
- 8 **(9) Chief Justice of the Supreme Court.**
- 9 [(8)] **(10) Supreme Court [Justice] Judge.**
- 10 [(9)] **(11) Circuit Court Judge.**
- 11 [(10)] **(12) Tax Court Judge.**

12 **SECTION 8.** ORS 171.072 is amended to read:

13 171.072. (1) A member of the Legislative Assembly shall receive for services an annual salary
14 **established as provided in ORS 292.907 to 292.930.** [*of the greater of:*]

15 [(a) *One step below the maximum of Salary Range 1 in the Management Service Compensation*
16 *Plan in the executive department as defined in ORS 174.112; or]*

17 [(b) *Seventeen percent of the salary of a Circuit Court Judge.*]

18 (2)(a) The President of the Senate and the Speaker of the House of Representatives each shall
19 receive for services, as additional salary, an amount equal to the [*sum*] **salary** allowed each of them
20 as a member under subsection (1) of this section.

21 **(b) The Majority Leader and Minority Leader of the Senate and the Majority Leader and**
22 **Minority Leader of the House of Representatives each shall receive for services, as additional**
23 **salary, an amount determined as provided in ORS 292.907 to 292.930.**

24 (3) A member of the Legislative Assembly shall receive, as an allowance for expenses not oth-
25 erwise provided for, a per diem determined as provided in subsection (9) of this section for each day
26 within the period that the Legislative Assembly is in session, to be paid with the salary provided for
27 in subsection (1) of this section. Pursuant to procedures determined by the Legislative Adminis-
28 tration Committee, a member may draw from an accrued allowance.

29 (4) A member of the Legislative Assembly shall receive, as an allowance for expenses incurred
30 in the performance of official duties during periods when the legislature is not in session, \$400 for
31 each calendar month or part of a calendar month during those periods, to be paid monthly, and
32 subject to approval of the President of the Senate or Speaker of the House of Representatives,
33 mileage expenses and a per diem determined as provided in subsection (9) of this section for each
34 day a member is engaged in the business of legislative interim and statutory committees, including
35 advisory committees and subcommittees of advisory committees, and task forces and for each day
36 a member serves on interstate bodies, advisory committees and other entities on which the member
37 serves ex officio, whether or not the entity is a legislative one.

38 (5) In addition to the mileage and per diem expense payments provided by this section, a member
39 of the Legislative Assembly may receive reimbursement for actual and necessary expenses, subject
40 to approval by the President of the Senate or Speaker of the House of Representatives, for legisla-
41 tive business outside of the state.

42 (6) The President of the Senate and **the** Speaker of the House of Representatives may delegate
43 to the chairpersons of interim and statutory committees and task forces the approval authority
44 granted to [*them*] **the President and the Speaker** by subsection (4) of this section, with respect to
45 expenses incurred in attending any meeting of a particular committee or task force.

1 (7) Amounts received under subsections (3) to (5) of this section are excluded from gross income
2 and expenditures of the amounts are excluded in computing deductions for purposes of ORS chapter
3 316. If there is attached to the personal income return a schedule of all ordinary and necessary
4 business expenses paid during the tax year as a member of the Legislative Assembly, a deduction
5 may be claimed on the return for legislative expenses paid in excess of the amounts received under
6 subsections (3) to (5) of this section. Expenses of members of the Legislative Assembly *[that]* **who**
7 are reimbursed by the state for actual expenses for meals and lodging associated with state travel
8 for the same period during which a legislator receives per diem *[is]* **are** subject to state income tax.

9 (8) For periods when the Legislative Assembly is not in session, the Legislative Administration
10 Committee shall provide for a telephone and an expense allowance for members of the Legislative
11 Assembly that is in addition to the amount allowed under subsection (4) of this section. In deter-
12 mining the amount of allowance for members, the committee shall consider the geographic area of
13 the member's district. The additional allowance shall reflect travel expenses necessary to communi-
14 cate in districts of varying sizes.

15 (9) The per diem allowance referred to in subsections (3) and (4) of this section shall be the
16 amount fixed for per diem allowance that is authorized by the United States Internal Revenue Ser-
17 vice to be excluded from gross income without itemization.

18 **SECTION 9.** ORS 292.430 is amended to read:

19 292.430. (1) In addition to the annual salaries *[set forth in ORS 171.072 and 292.313]* **established**
20 **as provided in ORS 292.907 to 292.930**, the Oregon Department of Administrative Services may
21 "pick-up," assume and pay to the Public Employees Retirement Fund any employee contributions,
22 otherwise required by ORS 238.200, for the Governor, Secretary of State, State Treasurer, Attorney
23 General, Superintendent of Public Instruction, Commissioner of the Bureau of Labor and Industries
24 and members of the Legislative Assembly.

25 (2) The department may provide health, dental, life and long-term disability insurance without
26 cost to the officers referred to in subsection (1) of this section and to judges of the Supreme Court,
27 Court of Appeals, Oregon Tax Court and circuit courts in such amounts as are provided from time
28 to time to employees in the unclassified service of the state.

29 **SECTION 10.** **The amendments to ORS 171.072 by section 8 of this 2007 Act and the repeal**
30 **of statutes by section 11 of this 2007 Act become operative on July 1, 2009.**

31 **SECTION 11.** **ORS 292.313, 292.405, 292.410, 292.415, 292.425 and 292.920 are repealed.**

32 **SECTION 12.** **This 2007 Act being necessary for the immediate preservation of the public**
33 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
34 **on its passage.**

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