

Senate Bill 700

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 **as introduced**.

Allows candidate for public office to use political contributions only to support nomination or election of candidate. Prohibits candidate from using contributions for personal use, to defray office expenses, to pay criminal or civil penalties or to pay certain membership dues.

Allows candidate to distribute contributions to principal campaign committee of same candidate for different office and to make contributions to other candidates and political committees. Allows candidate who discontinues principal campaign committee to distribute excess contributions to charitable organization, another candidate or political committee or Legislative Assembly.

Limits uses of contributions received by political committee that is not principal campaign committee.

Changes membership of Public Officials Compensation Commission. Requires commission to establish salaries of specified elective officers and members of Legislative Assembly. Provides that, subject to appropriation, salaries established by commission take effect unless Legislative Assembly passes bill rejecting or amending salaries.

Takes effect only if constitutional amendment proposed by Senate Joint Resolution 1 (2007) is approved by people at special election held on date of next primary election. Takes effect on effective date of constitutional amendment proposed in Senate Joint Resolution 1 (2007).

A BILL FOR AN ACT

1
2 Relating to public office; creating new provisions; amending ORS 171.072, 260.046, 260.407, 292.430,
3 292.907, 292.912, 292.917 and 292.930; repealing ORS 292.313, 292.405, 292.410, 292.415, 292.425
4 and 292.920; and prescribing an effective date.

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

6 **SECTION 1.** ORS 260.407 is amended to read:

7 260.407. *[(1) Except as provided in subsection (2) of this section, amounts received as contributions*
8 *by a candidate or the principal campaign committee of a candidate for public office that are in excess*
9 *of any amount necessary to defray campaign expenditures and any other funds donated to a holder of*
10 *public office may be:]*

11 *[(a) Used to defray any expenses incurred in connection with the recipient's duties as a holder of*
12 *public office;]*

13 *[(b) Transferred to any national, state or local political committee of any political party;]*

14 *[(c) Contributed to any organization described in section 170(c) of Title 26 of the United States*
15 *Code or to any charitable corporation defined in ORS 128.620; or]*

16 *[(d) Used for any other lawful purpose.]*

17 *[(2) Notwithstanding subsection (1) of this section, amounts received as contributions by a candi-*
18 *date for public office that are in excess of any amount necessary to defray campaign expenditures and*
19 *other funds donated to a holder of public office shall not be converted by any person to any personal*
20 *use other than to defray any expenses incurred in connection with the person's duties as a holder of*
21 *public office or to repay to a candidate any loan the proceeds of which were used in connection with*
22 *the candidate's campaign.]*

23 *[(3) As used in this section:]*

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 *[(a) "Funds donated" means all funds, including but not limited to gifts, loans, advances, credits*
 2 *or deposits of money that are donated for the purpose of supporting the activities of a holder of public*
 3 *office. "Funds donated" does not mean funds appropriated by the Legislative Assembly or another*
 4 *similar public appropriating body or personal funds of the office holder donated to an account con-*
 5 *taining only those personal funds.]*

6 *[(b) "Public office" does not include national or political party office.]*

7 **(1) Except as provided in subsections (3) and (4) of this section, a candidate or principal**
 8 **campaign committee of a candidate for public office may use contributions received by the**
 9 **candidate or committee only for the purpose of making expenditures to support the nomi-**
 10 **nation or election of the candidate.**

11 **(2) Contributions received by a candidate or principal campaign committee of a candidate**
 12 **for public office may not be:**

13 **(a) Converted by any person to any personal use;**

14 **(b) Used to defray any expenses incurred in connection with the recipient's duties as a**
 15 **holder of public office;**

16 **(c) Used to pay any money award as defined in ORS 18.005 included as part of a judgment**
 17 **in a civil or criminal action or any civil penalty imposed by an agency as defined in ORS**
 18 **183.310 or by a local government as defined in ORS 174.116; or**

19 **(d) Used to pay membership dues to a professional or civic organization if the member-**
 20 **ship is not integrally related to the candidate's election or duties as a holder of public office.**

21 **(3) A candidate or principal campaign committee of a candidate for public office may:**

22 **(a) Distribute contributions received by the candidate or committee to the principal**
 23 **campaign committee of the same candidate for nomination or election to a different public**
 24 **office; or**

25 **(b) Use contributions received by the candidate or committee to make contributions to**
 26 **any other candidate or political committee.**

27 **(4) In addition to contributions or distributions allowed under subsection (3) of this sec-**
 28 **tion, if a candidate or principal campaign committee of a candidate for public office does not**
 29 **intend to receive contributions or make expenditures and intends to discontinue the state-**
 30 **ment of organization of the candidate or committee under ORS 260.046, the candidate or**
 31 **committee may distribute contributions received by the candidate or committee to:**

32 **(a) Any organization qualified as a charitable organization under 26 U.S.C. 501(c)(3), or**
 33 **to any charitable corporation as defined in ORS 128.620, if the organization or corporation is**
 34 **not controlled by the candidate or a member of the candidate's immediate family;**

35 **(b) Any other candidate or political committee; or**

36 **(c) In the case of a candidate for the office of state Senator or state Representative, the**
 37 **Property and Supplies Stores Account established under ORS 173.790.**

38 **(5) Contributions received by a political committee that is not a principal campaign**
 39 **committee of a candidate for public office may not be:**

40 **(a) Converted by any person to any personal use;**

41 **(b) Except as allowed under ORS chapter 244, used to defray any expenses incurred in**
 42 **connection with the duties of a holder of public office;**

43 **(c) Used to pay any money award as defined in ORS 18.005 included as part of a judgment**
 44 **in a civil or criminal action or any civil penalty imposed by an agency as defined in ORS**
 45 **183.310 or by a local government as defined in ORS 174.116; or**

1 (d) Used to pay membership dues of a candidate or holder of public office to a profes-
 2 sional or civic organization if the membership is not integrally related to the candidate's
 3 election or the duties of the holder of public office.

4 (6) The Secretary of State by rule may specify expenditures that are allowed or prohibited
 5 under subsection (1), (2) or (5) of this section.

6 (7) As used in this section, "public office" does not include a national or political party
 7 office.

8 **SECTION 2.** ORS 260.046 is amended to read:

9 260.046. (1) A filing officer, in accordance with rules adopted by the Secretary of State, may
 10 discontinue the statement of organization of a candidate, principal campaign committee or political
 11 committee if the candidate, principal campaign committee or political committee has not filed a
 12 statement of contributions received or expenditures made under this chapter.

13 (2) The Secretary of State shall adopt rules prescribing conditions and procedures under which
 14 a filing officer may discontinue a statement of organization under this section.

15 (3) If a filing officer discontinues a statement of organization under this section, the filing officer
 16 shall provide written notice to the candidate, principal campaign committee or political committee
 17 that the statement has been discontinued.

18 (4) A candidate, principal campaign committee or political committee may discontinue a
 19 statement of organization in the manner specified by the Secretary of State by rule.

20 **SECTION 3.** (1) The amendments to ORS 260.407 by section 1 of this 2007 Act apply to
 21 expenditures or distributions of contributions made on or after the effective date of this 2007
 22 Act.

23 (2) The amendments to ORS 260.046 by section 2 of this 2007 Act apply to:

24 (a) Individuals who are or who become candidates or treasurers on or after the effective
 25 date of this 2007 Act;

26 (b) Principal campaign committees or political committees for which a statement of or-
 27 ganization was filed prior to the effective date of this 2007 Act and has not been discontinued;
 28 and

29 (c) Principal campaign committees or political committees for which a statement of or-
 30 ganization is filed on or after the effective date of this 2007 Act.

31 **SECTION 4.** ORS 292.907 is amended to read:

32 292.907. (1) There is established a Public Officials Compensation Commission consisting of
 33 [seven] 11 members [of whom two are appointed by the Governor, two by the Speaker of the House of
 34 Representatives, two by the President of the Senate and one by the Chief Justice of the Supreme Court
 35 of the State of Oregon.] appointed or selected as follows:

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

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

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

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

41 (e) Six members selected by lot by the Secretary of State in the manner described in
 42 section 6 of this 2007 Act.

43 (2) The term of office of each member is four years. A member is eligible for reappointment or
 44 reselection. If there is a vacancy for any cause, the [appointing] authority having made the ap-
 45 pointment or selection of the member representing the vacancy[,] shall make an appointment or

1 **selection** to become immediately effective for the unexpired term.

2 (3)(a) *[No person]* **Neither an individual** who holds an office or position the salary of which is
3 subject to ORS 292.907 to 292.930 *[shall be]* **nor an immediate family member of the individual**
4 **is eligible to serve on the commission.**

5 (b) **As used in this subsection, “immediate family member” means an individual related**
6 **by blood, marriage or adoption to the individual who holds an office or position the salary**
7 **of which is subject to ORS 292.907 to 292.930.**

8 (4) **To be eligible to serve on the commission, an individual must have voted in the two**
9 **general elections next preceding the individual’s appointment, reappointment, selection or**
10 **reselection.**

11 **SECTION 5. Section 6 of this 2007 Act is added to and made a part of ORS 292.907 to**
12 **292.930.**

13 **SECTION 6. (1) The Secretary of State shall select by lot from elector registration re-**
14 **ords six persons for membership on the Public Officials Compensation Commission. The**
15 **Secretary of State shall select one elector from each congressional district and one elector**
16 **from the state at large.**

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

19 (a) **Procedures for notifying the electors selected;**

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

22 (c) **Procedures for filling a vacancy on the commission if a selected member does not**
23 **complete the member’s term.**

24 **SECTION 7. (1) Notwithstanding the term of office specified in ORS 292.907, the term of**
25 **office of each member of the Public Officials Compensation Commission on the effective date**
26 **of this 2007 Act expires on the effective date of this 2007 Act.**

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

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

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

33 (a) **Two shall serve for terms ending January 1, 2009;**

34 (b) **Three shall serve for terms ending January 1, 2010;**

35 (c) **Three shall serve for terms ending January 1, 2011; and**

36 (d) **Three shall serve for terms ending January 1, 2012.**

37 **SECTION 8. ORS 292.912 is amended to read:**

38 292.912. (1) **The Public Officials Compensation Commission shall review and *[make recommen-***
39 ***ations to the Legislative Assembly regarding]* establish the **annual** salary of each **elective** officer
40 **subject to ORS 292.907 to 292.930 and *[all compensation of members]* of each member** of the Legis-
41 **lative Assembly for the succeeding biennium.****

42 (2) *[Such recommendations shall be]* **The commission shall establish the salaries** based upon
43 **the following criteria:**

44 (a) **Comparable positions in neighboring states.**

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

- 1 (c) The level of responsibility implicit in each office.
- 2 (d) The cost of living.
- 3 (e) The total compensation of the positions, including benefits other than salary.
- 4 (f) Budget limitations.
- 5 (g) Any other factors the commission may consider to be reasonable, appropriate and in the
- 6 public interest.

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

10 **(3) The commission shall meet on or before September 1 of each even-numbered year to**
 11 **review and establish the salaries. The commission may meet at other times as the commis-**
 12 **sion determines necessary to carry out its duties. On or before October 31 of each even-**
 13 **numbered year, the commission shall complete a report that lists the salaries established by**
 14 **the commission and send the report to the Governor, the President of the Senate, the**
 15 **Speaker of the House of Representatives and the Chief Justice of the Supreme Court.**

16 **(4) Subject to an appropriation made by law, the salaries established by the commission**
 17 **take effect on July 1 of the odd-numbered year following the completion of the report de-**
 18 **scribed in subsection (3) of this section unless, by May 1 of that odd-numbered year, the**
 19 **Legislative Assembly passes a bill rejecting or amending the salaries and the bill is enacted**
 20 **and takes effect on or before July 1 of that odd-numbered year. However, pursuant to sec-**
 21 **tion 1, Article VII (Amended) of the Oregon Constitution, the salaries of the Chief Justice**
 22 **of the Supreme Court and other judges may not be diminished during the term for which**
 23 **they are elected.**

24 **SECTION 9.** ORS 292.917 is amended to read:

25 292.917. (1) The Public Officials Compensation Commission shall select one of its members as
 26 chairperson and another as vice chairperson, for such terms and with **such** duties and powers nec-
 27 essary for the performance of the functions of [*such*] **the** offices as the commission determines.

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

30 **(3) If a quorum is present when a vote is taken, the affirmative vote of a majority of the**
 31 **members present is required for the commission to establish salaries under ORS 292.912.**

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

34 (4) A member of the commission [*shall be*] **is** eligible for compensation and expenses under ORS
 35 292.495.

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

38 **SECTION 10.** ORS 292.930 is amended to read:

39 292.930. **Subject to an appropriation made by law,** each of the following elective officers shall
 40 be paid an annual salary on a monthly basis as [*determined by the Legislative Assembly*] **established**
 41 **under ORS 292.912** each biennium beginning July 1, [*1985*] **2009**:

- 42 (1) Governor.
- 43 (2) Secretary of State.
- 44 (3) State Treasurer.
- 45 (4) Attorney General.

1 (5) Superintendent of Public Instruction.

2 (6) Commissioner of the Bureau of Labor and Industries.

3 **(7) Chief Judge of the Court of Appeals.**

4 [(7)] (8) Court of Appeals Judge.

5 **(9) Chief Justice of the Supreme Court.**

6 [(8)] (10) Supreme Court *[Justice]* **Judge.**

7 [(9)] (11) Circuit Court Judge.

8 [(10)] (12) Tax Court Judge.

9 **SECTION 11.** ORS 171.072 is amended to read:

10 171.072. (1) A member of the Legislative Assembly shall receive for services an annual salary
11 **established under ORS 292.912.** *[of the greater of:]*

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

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

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

18 **(b) The majority leader and minority leader of the Senate and the majority leader and**
19 **minority leader of the House of Representatives each shall receive for services, as additional**
20 **salary, an amount determined by the Public Officials Compensation Commission.**

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

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

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

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

43 (7) Amounts received under subsections (3) to (5) of this section are excluded from gross income
44 and expenditures of the amounts are excluded in computing deductions for purposes of ORS chapter
45 316. If there is attached to the personal income return a schedule of all ordinary and necessary

1 business expenses paid during the tax year as a member of the Legislative Assembly, a deduction
2 may be claimed on the return for legislative expenses paid in excess of the amounts received under
3 subsections (3) to (5) of this section. Expenses of members of the Legislative Assembly *[that]* **who**
4 are reimbursed by the state for actual expenses for meals and lodging associated with state travel
5 for the same period during which a legislator receives per diem *[is]* **are** subject to state income tax.

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

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

15 **SECTION 12.** ORS 292.430 is amended to read:

16 292.430. (1) In addition to the annual salaries *[set forth in ORS 171.072 and 292.313]* **established**
17 **under ORS 292.912**, the Oregon Department of Administrative Services may "pick-up," assume and
18 pay to the Public Employees Retirement Fund any employee contributions, otherwise required by
19 ORS 238.200, for the Governor, Secretary of State, State Treasurer, Attorney General, Superinten-
20 dent of Public Instruction, Commissioner of the Bureau of Labor and Industries and members of the
21 Legislative Assembly.

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

26 **SECTION 13.** ORS 292.313, 292.405, 292.410, 292.415, 292.425 and 292.920 are repealed.

27 **SECTION 14.** **This 2007 Act does not take effect unless the amendment to the Oregon**
28 **Constitution proposed by Senate Joint Resolution 1 (2007) is approved by the people at a**
29 **special election held throughout this state on the same date as the next primary election.**
30 **This 2007 Act takes effect on the effective date of that constitutional amendment.**