House Bill 3011

Sponsored by COMMITTEE ON RULES

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.

Modifies definition of "legislative or administrative interest" and defines "candidate" for purposes of ethics laws.

Prohibits public official from receiving gifts from source with legislative or administrative in-

terest. Exempts food and nonalcoholic beverages from definition of gift.

Modifies required contents of statement of economic interest. Modifies list of public officials required to file statement of economic interest. Directs only person who holds or is candidate for state office or office of state Senator or Representative to file quarterly statement.

Prohibits Oregon Government Ethics Commission from making statements available in searchable format on Internet.

Becomes operative on January 1, 2010. Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to government ethics; creating new provisions; amending ORS 244.020, 244.025, 244.040, 244.050, 244.060, 244.070, 244.100, 244.255, 244.290, 244.350, 293.708 and 441.540; repealing ORS 244.380 and 244.390; and declaring an emergency.

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

- **SECTION 1.** ORS 244.020 is amended to read:
- 244.020. As used in this chapter, unless the context requires otherwise:
- (1) "Actual conflict of interest" means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit or detriment of the person or the person's relative or any business with which the person or a relative of the person is associated unless the pecuniary benefit or detriment arises out of circumstances described in subsection (11) of this section.
- (2) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual and any other legal entity operated for economic gain but excluding any income-producing not-for-profit corporation that is tax exempt under section 501(c) of the Internal Revenue Code with which a public official or a relative of the public official is associated only as a member or board director or in a nonremunerative capacity.
 - (3) "Business with which the person is associated" means:
- (a) Any private business or closely held corporation of which the person or the person's relative is a director, officer, owner or employee, or agent or any private business or closely held corporation in which the person or the person's relative owns or has owned stock, another form of equity interest, stock options or debt instruments worth \$1,000 or more at any point in the preceding calendar year;
- (b) Any publicly held corporation in which the person or the person's relative owns or has owned \$100,000 or more in stock or another form of equity interest, stock options or debt instruments at any point in the preceding calendar year;

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.

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- (c) Any publicly held corporation of which the person or the person's relative is a director or officer; or
- (d) For public officials required to file a statement of economic interest under ORS 244.050, any business listed as a source of income as required under ORS 244.060 (3).
- (4) "Candidate" means an individual whose name is printed on a ballot, for whom a declaration of candidacy, nominating petition or certificate of nomination to public office has been filed or whose name is expected to be or has been presented, with the individual's consent, for nomination or election to public office.
- [(4)] (5) "Development commission" means any entity [which] that has the authority to purchase, develop, improve or lease land or the authority to operate or direct the use of land. This authority must be more than ministerial.
- [(5)(a)] (6)(a) "Gift" means something of economic value given to a public official, a candidate for public office or a relative or member of the household of the public official or candidate:
- (A) Without valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or candidates for public office or the relatives or members of the household of public officials or candidates on the same terms and conditions; or
- (B) For valuable consideration less than that required from others who are not public officials or candidates for public office.
 - (b) "Gift" does not mean:

- (A) Contributions as defined in ORS 260.005.
- (B) Gifts from relatives or members of the household of the public official or candidate for public office.
- (C) An unsolicited token or award of appreciation in the form of a plaque, trophy, desk item, wall memento, **plant**, **flowers** or similar item, with a resale value reasonably expected to be less than [\$25] \$50.
- (D) Informational material, publications or subscriptions related to the recipient's performance of official duties.
- (E) Admission provided to or the cost of food or beverage consumed by a public official or candidate for public office, or a member of the household or staff of the public official or candidate, when accompanying the public official or candidate, at a reception, meal or meeting held by an organization before whom the public official or candidate appears to speak or to answer questions as part of a scheduled program.
- (F) Reasonable expenses paid by any unit of the federal government, a state or local government, a Native American tribe that is recognized by federal law or formally acknowledged by a state, a membership organization to which a public body as defined in ORS 174.109 pays membership dues or a not-for-profit corporation that is tax exempt under section 501(c)(3) of the Internal Revenue Code and that receives less than five percent of its funding from for-profit organizations or entities, for attendance at a convention, fact-finding mission or trip, or other meeting if the public official or candidate for public office is scheduled to deliver a speech, make a presentation, participate on a panel or represent state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117.
- (G) Contributions made to a legal expense trust fund established under ORS 244.209 for the benefit of the public official.
- (H) Reasonable food, travel or lodging expenses provided to a public official, a relative of the

- public official accompanying the public official, a member of the household of the public official accompanying the public official or a staff member of the public official accompanying the public official, when the public official is representing state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117:
 - (i) On an officially sanctioned trade-promotion or fact-finding mission; or

- (ii) In officially designated negotiations, or economic development activities, where receipt of the expenses is approved in advance.
 - [(I) Food or beverage consumed by a public official acting in an official capacity:]
- [(i) In association with the review, approval, execution of documents or closing of a borrowing, investment or other financial transaction, including any business agreement between state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117 and a private entity or public body as defined in ORS 174.109;]
- [(ii) While engaged in due diligence research or presentations by the office of the State Treasurer related to an existing or proposed investment or borrowing; or]
- [(iii) While engaged in a meeting of an advisory, governance or policy-making body of a corporation, partnership or other entity in which the office of the State Treasurer has invested moneys.]
- [(J)] (I) Waiver or discount of registration expenses or materials provided to a public official or candidate for public office at a continuing education event that the public official or candidate may attend to satisfy a professional licensing requirement.
- [(K)] (J) Expenses provided by one public official to another public official for travel inside this state to or from an event that bears a relationship to the receiving public official's office and at which the official participates in an official capacity.
- [(L)] (K) Food or [beverage] nonalcoholic beverages consumed by a public official [at a reception where the food or beverage is provided as an incidental part of the reception and no cost is placed on the food or beverage] or candidate for public office.
- [(M)] (L) Entertainment provided to a public official **or candidate** for **public office** or a relative or member of the household of the public official **or candidate** that is incidental to the main purpose of another event.
- [(N)] (M) Entertainment provided to a public official or a relative or member of the household of the public official where the public official is acting in an official capacity while representing state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117 for a ceremonial purpose.
- [(6)] (7) "Honorarium" means a payment or something of economic value given to a public official in exchange for services upon which custom or propriety prevents the setting of a price. Services include, but are not limited to, speeches or other services rendered in connection with an event.
- [(7)] (8) "Income" means income of any nature derived from any source, including, but not limited to, any salary, wage, advance, payment, dividend, interest, rent, honorarium, return of capital, forgiveness of indebtedness, or anything of economic value.
- [(8)] (9) "Legislative or administrative interest" means an economic interest, distinct from that of the general public, in [one or more bills, resolutions, regulations, proposals or other matters] any matter, bill, resolution, regulation or proposal subject to the action or vote of a person acting, or a candidate who if elected would act, in the capacity of a public official.
- [(9)] (10) "Member of the household" means any person who resides with the public official or candidate for public office.

- [(10)] (11) "Planning commission" means a county planning commission created under ORS chapter 215 or a city planning commission created under ORS chapter 227.
- [(11)] (12) "Potential conflict of interest" means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which could be to the private pecuniary benefit or detriment of the person or the person's relative, or a business with which the person or the person's relative is associated, unless the pecuniary benefit or detriment arises out of the following:
- (a) An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
- (b) Any action in the person's official capacity which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person's relative or business with which the person or the person's relative is associated, is a member or is engaged.
- (c) Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.
 - [(12)] (13) "Public office" has the meaning given that term in ORS 260.005.
- [(13)] (14) "Public official" means any person who, when an alleged violation of this chapter occurs, is serving the State of Oregon or any of its political subdivisions or any other public body as defined in ORS 174.109 as an elected official, appointed official, employee, agent or otherwise, irrespective of whether the person is compensated for the services.
 - [(14)] (15) "Relative" means:

- (a) The spouse of the public official or candidate for public office;
- (b) The domestic partner of the public official or candidate for public office;
- (c) Any children of the public official or of the public official's spouse;
- (d) Any children of the candidate for public office or of the candidate's spouse;
- [(d)] (e) Siblings, spouses of siblings or parents of the public official or of the public official's spouse;
- (f) Siblings, spouses of siblings or parents of the candidate for public office or of the candidate's spouse;
- [(e)] (g) Any individual for whom the public official or candidate for public office has a legal support obligation; [or]
- [(f)] (h) Any individual for whom the public official provides benefits arising from the public official's public employment or from whom the public official receives benefits arising from that individual's employment[.]; or
- (i) Any individual from whom the candidate for public office receives benefits arising from that individual's employment.
- [(15)] (16) "Statement of economic interest" means a statement as described by ORS 244.060, 244.070 or 244.100.
- [(16)] (17) "Zoning commission" means an entity to which is delegated at least some of the discretionary authority of a planning commission or governing body relating to zoning and land use matters.
 - **SECTION 2.** ORS 244.025 is amended to read:
- 244.025. (1) [During a calendar year,] A public official, a candidate for public office or a relative or member of the household of the public official or candidate may not solicit or receive, directly or indirectly, any gift or gifts [with an aggregate value in excess of \$50] from any single source that

could reasonably be known to have a legislative or administrative interest [in any governmental agency in which the public official holds, or the candidate if elected would hold, any official position or over which the public official exercises, or the candidate if elected would exercise, any authority].

- (2) [During a calendar year,] A person who has a legislative or administrative interest [in any governmental agency in which a public official holds any official position or over which the public official exercises any authority] may not offer to the public official or candidate for public office or a relative or member of the household of the public official or candidate any gift or gifts [with an aggregate value in excess of \$50].
- [(3) During a calendar year, a person who has a legislative or administrative interest in any governmental agency in which a candidate for public office if elected would hold any official position or over which the candidate if elected would exercise any authority may not offer to the candidate or a relative or member of the household of the candidate any gift or gifts with an aggregate value in excess of \$50.]
 - [(4) Notwithstanding subsection (1) of this section:]

(3) Except as provided in ORS 244.020 (6)(b)(L):

- (a) A public official, a candidate for public office or a relative or member of the household of the public official or candidate may not solicit or receive, directly or indirectly, any gift of payment of expenses for entertainment from any single source that could reasonably be known to have a legislative or administrative interest [in any governmental agency in which the public official holds, or the candidate if elected would hold, any official position or over which the public official exercises, or the candidate if elected would exercise, any authority].
- (b) A person who has a legislative or administrative interest [in any governmental agency in which a public official holds any official position or over which the public official exercises any authority] may not offer to the public official or candidate for public office, or a relative or member of the household of the public official or candidate, any gift of payment of expenses for entertainment.
- [(c) A person who has a legislative or administrative interest in any governmental agency in which a candidate for public office if elected would hold any official position or over which the candidate if elected would exercise any authority may not offer to the candidate or a relative or member of the household of the candidate any gift of payment of expenses for entertainment.]
- [(5)] (4) This section does not apply to public officials subject to the Oregon Code of Judicial Conduct.

SECTION 3. ORS 244.040 is amended to read:

- 244.040. (1) Except as provided in subsection (2) of this section, a public official may not use or attempt to use official position or office to obtain financial gain or avoidance of financial detriment for the public official, a relative or member of the household of the public official, or any business with which the public official or a relative or member of the household of the public official is associated, if the financial gain or avoidance of financial detriment would not otherwise be available but for the public official's holding of the official position or office.
 - (2) Subsection (1) of this section does not apply to:
- (a) Any part of an official compensation package as determined by the public body that the public official serves.
- (b) The receipt by a public official or a relative or member of the household of the public official of an honorarium or any other item allowed under ORS 244.042.
 - (c) Reimbursement of expenses.

(d) An unsolicited award for professional achievement.

- [(e) Gifts that do not exceed the limits specified in ORS 244.025 received by a public official or a relative or member of the household of the public official from a source that could reasonably be known to have a legislative or administrative interest in a governmental agency in which the official holds any official position or over which the official exercises any authority.]
- [(f)] (e) Gifts received by a public official or a relative or member of the household of the public official from a source that could not reasonably be known to have a legislative or administrative interest [in a governmental agency in which the official holds any official position or over which the official exercises any authority].
- [(g)] (f) The receipt by a public official or a relative or member of the household of the public official of any item, regardless of value, that is expressly excluded from the definition of "gift" in ORS 244.020.
- [(h)] (g) Contributions made to a legal expense trust fund established under ORS 244.209 for the benefit of the public official.
- (3) A public official may not solicit or receive, either directly or indirectly, and a person may not offer or give to any public official any pledge or promise of future employment, based on any understanding that the vote, official action or judgment of the public official would be influenced by the pledge or promise.
- (4) A public official may not attempt to further or further the personal gain of the public official through the use of confidential information gained in the course of or by reason of holding position as a public official or activities of the public official.
- (5) A person who has ceased to be a public official may not attempt to further or further the personal gain of any person through the use of confidential information gained in the course of or by reason of holding position as a public official or the activities of the person as a public official.
- (6) A person may not attempt to represent or represent a client for a fee before the governing body of a public body of which the person is a member. This subsection does not apply to the person's employer, business partner or other associate.
- (7) The provisions of this section apply regardless of whether actual conflicts of interest or potential conflicts of interest are announced or disclosed under ORS 244.120.

SECTION 4. ORS 244.050 is amended to read:

- 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:
- (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries[,] and Superintendent of Public Instruction[,] and Deputy Superintendents of Public Instruction, district attorneys and members of the Legislative Assembly.
- (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.
 - (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.
 - (d) The Deputy Attorney General.
- (e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Legislative Revenue Officer, the Secretary of the Senate and the Chief Clerk of the House of Representatives.
- (f) The Chancellor and Vice Chancellors of the Oregon University System and the president and vice presidents, or their administrative equivalents, in each institution under the jurisdiction of the

- 1 State Board of Higher Education.
- 2 (g) The following state officers:
- 3 (A) Adjutant General.
- 4 (B) Director of Agriculture.
- 5 (C) Manager of State Accident Insurance Fund Corporation.
- 6 (D) Water Resources Director.
- 7 (E) Director of Department of Environmental Quality.
- 8 (F) Director of Oregon Department of Administrative Services.
- 9 (G) State Fish and Wildlife Director.
- 10 (H) State Forester.
- 11 (I) State Geologist.
- 12 (J) Director of Human Services.
- 13 (K) Director of the Department of Consumer and Business Services.
- 14 (L) Director of the Department of State Lands.
- 15 (M) State Librarian.
- 16 (N) Administrator of Oregon Liquor Control Commission.
- 17 (O) Superintendent of State Police.
- 18 (P) Director of the Public Employees Retirement System.
- 19 (Q) Director of Department of Revenue.
- 20 (R) Director of Transportation.
- 21 (S) Public Utility Commissioner.
- 22 (T) Director of Veterans' Affairs.
- 23 (U) Executive Director of Oregon Government Ethics Commission.
- 24 (V) Director of the State Department of Energy.
- 25 (W) Director and each assistant director of the Oregon State Lottery.
- 26 (X) Administrative officer of the Oregon Board of Accountancy.
- 27 (Y) Administrator of the Oregon Advocacy Commissions Office.
- 28 (Z) Director of Affirmative Action.
- 29 (AA) Administrator of the Appraiser Certification and Licensure Board.
- 30 (BB) Administrative officer of the State Board of Architect Examiners.
- 31 (CC) Director of the Oregon Department of Aviation.
- 32 (DD) Administrator of the Commission for the Blind.
- 33 (EE) Staff director of the State Commission on Children and Families.
- 34 (FF) Executive director of the State Board of Chiropractic Examiners.
- 35 (GG) Administrator of the State Board of Clinical Social Workers.
- 36 (HH) Administrative officer of the Construction Contractors Board.
- 37 (II) Director of the Department of Corrections.
- 38 (JJ) Administrator of the Oregon Board of Licensed Professional Counselors and Thera-39 pists.
- 40 (KK) Executive director of the Oregon Criminal Justice Commission.
- 41 (LL) President and administrative officer of the Oregon Board of Dentistry.
- 42 (MM) Executive secretary of the Board of Examiners of Licensed Dietitians.
- 43 (NN) Director of the Economic and Community Development Commission.
- 44 (OO) Director of the Office of Emergency Management.
- 45 (PP) Director of the Employment Department.

- 1 (QQ) Chairperson of the Employment Relations Board.
- 2 (RR) Chief of staff for the Governor.
- 3 (SS) Director of the Oregon Health Licensing Agency.
- 4 (TT) Administrator of the Office for Oregon Health Policy and Research.
- 5 (UU) Director of the Housing and Community Services Department.
- 6 (VV) Executive Officer of the Commission on Indian Services.
- 7 (WW) State Court Administrator.
- 8 (XX) Director of the Department of Land Conservation and Development.
- 9 (YY) Board chairperson of the Land Use Board of Appeals.
- 10 (ZZ) Administrative officer of the State Landscape Architect Board.
- 11 (AAA) Long Term Care Ombudsman.
- 12 (BBB) State Marine Director.
- 13 (CCC) Chairperson of the Oregon Board of Maritime Pilots.
- 14 (DDD) Chairperson of the State Medical Examiner Advisory Board.
- 15 (EEE) President of the State Mortuary and Cemetery Board.
- 16 (FFF) Executive director of the Board of Naturopathic Examiners.
- 17 (GGG) President of the Oregon State Board of Nursing.
- 18 (HHH) Chairperson of the Board of Examiners of Nursing Home Administrators.
- 19 (III) Director of the Occupational Therapy Licensing Board.
- 20 (JJJ) President of the Oregon Board of Optometry.
- 21 (KKK) Executive director of the Oregon Racing Commission.
- 22 (LLL) State Parks and Recreation Director.
- 23 (MMM) Chairperson of the State Board of Parole and Post-Prison Supervision.
- 24 (NNN) Executive director of the State Board of Pharmacy.
- 25 (OOO) Executive director of the Physical Therapist Licensing Board.
- 26 (PPP) Administrator of the Office of Private Health Partnerships.
- 27 (QQQ) Executive officer for the Oregon Progress Board.
- 28 (RRR) Chairperson of the State Board of Psychologist Examiners.
- 29 (SSS) Public defense services executive director.
- 30 (TTT) Chairperson of the Public Employees' Benefit Board.
- 31 (UUU) Director of the Department of Public Safety Standards and Training.
- 32 (VVV) Executive officer of the Board of Radiologic Technology.
- 33 (WWW) Real Estate Commissioner.
- 34 (XXX) Executive director of the State Board of Examiners for Speech-Language 35 Pathology and Audiology.
- 36 (YYY) Chairperson of the Oregon Student Assistance Commission.
- 37 (ZZZ) Administrative officer of the State Board of Tax Practitioners.
- 38 (AAAA) Director of the Travel Information Council.
- 39 (BBB) Executive director of the Oregon State Veterinary Medical Examining Board.
- 40 (CCCC) Executive director of the Oregon Watershed Enhancement Board.
- 41 (DDDD) Director of the Oregon Youth Authority.
- 42 (h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.
- 43 (i) Every elected city or county official.
- 44 (j) Every member of a city or county planning, zoning or development commission.
- 45 (k) The chief executive officer of a city or county who performs the duties of manager or prin-

- 1 cipal administrator of the city or county.
- 2 (L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 3 (m) Every member of a governing body of a metropolitan service district and the executive of-
- 4 ficer thereof.

- (n) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 6 (o) The chief administrative officer and the financial officer of each [common and union high]
 7 school district, education service district and community college district.
- 8 (p) Every member of the following state boards and commissions:
- 9 (A) Board of Geologic and Mineral Industries.
- 10 (B) Oregon Economic and Community Development Commission.
- 11 (C) State Board of Education.
- 12 (D) Environmental Quality Commission.
- 13 (E) Fish and Wildlife Commission of the State of Oregon.
- 14 (F) State Board of Forestry.
- 15 (G) Oregon Government Ethics Commission.
- 16 (H) Oregon Health Policy Commission.
- 17 (I) State Board of Higher Education.
- 18 (J) Oregon Investment Council.
- 19 (K) Land Conservation and Development Commission.
- 20 (L) Oregon Liquor Control Commission.
- 21 (M) Oregon Short Term Fund Board.
- 22 (N) State Marine Board.
- 23 (O) Mass transit district boards, if elected.
- 24 (P) Energy Facility Siting Council.
- 25 (Q) Board of Commissioners of the Port of Portland.
- 26 (R) Employment Relations Board.
- 27 (S) Public Employees Retirement Board.
- 28 (T) Oregon Racing Commission.
- 29 (U) Oregon Transportation Commission.
- 30 (V) Wage and Hour Commission.
- 31 (W) Water Resources Commission.
- 32 (X) Workers' Compensation Board.
- 33 (Y) Oregon Facilities Authority.
- 34 (Z) Oregon State Lottery Commission.
- 35 (AA) Pacific Northwest Electric Power and Conservation Planning Council.
- 36 (BB) Columbia River Gorge Commission.
- 37 (CC) Oregon Health and Science University Board of Directors.
- 38 (DD) Psychiatric Security Review Board.
- 39 (q) The following officers of the State Treasurer:
- 40 (A) Chief Deputy State Treasurer.
- 41 (B) Chief of staff for the office of the State Treasurer.
- 42 (C) Director of the Investment Division.
- 43 (r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 44 or 777.915 to 777.953.
- 45 (s) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

(t) Elected members of school boards.

- (2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
- (3) By April 15 next after the filing deadline for the primary election, each candidate for public office described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
- (4) Within 30 days after the filing deadline for the general election, each candidate for public office described in subsection (1) of this section who was not a candidate in the preceding primary election, or who was nominated for public office described in subsection (1) of this section at the preceding primary election by write-in votes, shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.
- (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates for public office on April 15. Subsections (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the filing deadline for the statewide general election.
- (6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.

SECTION 5. ORS 244.060 is amended to read:

- 244.060. The statement of economic interest filed under ORS 244.050 shall be on a form prescribed by the Oregon Government Ethics Commission. The public official or candidate for public office filing the statement shall supply the information required by this section and ORS 244.090, as follows:
- (1) The names of all positions as officer of a business and business directorships held by the person or a member of the household of the person during the preceding calendar year, and the principal address and a brief description of each business.
- (2) All names under which the person and members of the household of the person do business and the principal address and a brief description of each business.
- (3) [The names, principal addresses and brief descriptions of the five most significant sources of income received at any time during the preceding calendar year by the person and by each member of the household of the person, a description of the type of income and the name of the person receiving the income.] The name, principal address and a brief description of each source of compensation or salary received during the preceding calendar year by the person and by each member of the person's household that is greater than or equal to \$3,000 for services performed in relation to the public or private profession or occupation of the person.
- (4)(a) A list of all real property in which the public official or candidate for public office or a member of the household of the public official or candidate has or has had any personal, beneficial ownership interest during the preceding calendar year, any options to purchase or sell real property, including a land sales contract, and any other rights of any kind in real property located within the geographic boundaries of the governmental agency of which the public official holds, or the candidate if elected would hold, any official position or over which the public official exercises, or the

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candidate if elected would exercise, any authority.

- (b) This subsection does not require the listing of the principal residence of the public official or candidate.
 - [(5) The name of each member of the household of the person who is 18 years of age or older.]
- [(6) The name of each relative of the person who is 18 years of age or older and not a member of the household of the person.]

SECTION 6. ORS 244.070 is amended to read:

- 244.070. A public official or candidate for public office shall report the following additional economic interest for the preceding calendar year only if the source of that interest is derived from an individual or business that has a legislative or administrative interest or that has been doing business, does business or could reasonably be expected to do business with[, or has legislative or administrative interest in,] the governmental agency of which the public official holds, or the candidate if elected would hold, [any] an official position or over which the public official exercises, or the candidate if elected would exercise, any authority:
- (1) Each person to whom the public official or candidate for public office or a member of the household of the public official or candidate owes or has owed money in excess of \$1,000, the interest rate on money owed and the date of the loan, except for debts owed to any federal or state regulated financial institution or retail contracts.
- (2) The name, principal address and brief description of the nature of each business in which the public official or candidate for public office or a member of the household of the public official or candidate has or has had a personal, beneficial interest or investment, including stocks or other securities, in excess of [\$1,000] \$3,000, except for individual items involved in a mutual fund or a blind trust, or a time or demand deposit in a financial institution, shares in a credit union, or the cash surrender value of life insurance.
- (3) Each person for whom the public official or candidate for public office has performed services for a fee in excess of \$1,000, except for any disclosure otherwise prohibited by law or by a professional code of ethics.

SECTION 7. ORS 244.100 is amended to read:

- 244.100. (1) [A public official or candidate for public office who is required to file a statement of economic interest under ORS 244.050] A person who holds or is a candidate for statewide office or the office of state Senator or Representative shall file with the Oregon Government Ethics Commission, according to the schedule set forth in ORS 244.105, a statement showing for the applicable reporting period:
- (a) Any expenses with an aggregate value exceeding [\$50] \$100 received by the public official or candidate when participating in a convention, mission, trip or other meeting described in ORS $244.020 \ [(5)(b)(F)] \ (6)(b)(F)$. The statement shall include the name and address of the organization or unit of government paying the expenses, the nature of the event and the date and amount of the expenditure.
- (b) Any expenses with an aggregate value exceeding [\$50] \$100 received by the public official when participating in a mission or negotiations or economic development activities described in ORS 244.020 [(5)(b)(H)] (6)(b)(H). The statement shall include the name and address of the person paying the expenses, the nature of the event and the date and amount of the expenditure.
- (c) All honoraria allowed under ORS 244.042 exceeding \$15 received by the public official, candidate or member of the household of the official or candidate, the payer of each honorarium and the date and time of the event for which the honorarium was received.

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- [(d) Each source of income exceeding an aggregate amount of \$1,000, whether or not taxable, received by the public official or candidate for public office, or a member of the household of the public official or candidate, if the source of that income is derived from an individual or business that has been doing business, does business or could reasonably be expected to do business with, or has legislative or administrative interest in, the governmental agency of which the public official holds, or the candidate if elected would hold, any official position or over which the public official exercises, or the candidate if elected would exercise, any authority.]
 - (2) In addition to statements required under subsection (1) of this section:
- (a) Any organization or unit of government that provides a public official **or candidate** with expenses with an aggregate value exceeding [\$50] \$100 for an event described in ORS 244.020 [\$(5)(b)(F)] \$(6)(b)(F) shall notify the public official **or candidate** in writing of the amount of the expense. The organization or unit shall provide the notice to the public official **or candidate** within 10 days from the date the expenses are incurred.
- (b) Any person that provides a public official **or candidate** or a member of the household of a public official **or candidate** with an honorarium or other item allowed under ORS 244.042 with a value exceeding \$15 shall notify the public official **or candidate** in writing of the value of the honorarium or other item. The person shall provide the notice to the public official **or candidate** within 10 days after the date of the event for which the honorarium or other item was received.
- (3) As used in this section, "statewide office" means the office of Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries and Superintendent of Public Instruction.

SECTION 8. ORS 244.255 is amended to read:

244.255. (1) The Oregon Government Ethics Commission shall estimate in advance the expenses that it will incur during a biennium in carrying out the provisions of ORS 171.725 to 171.785 and 171.992 and this chapter. The commission shall also determine what percentage of the expenses should be borne by the following two groups of public bodies:

- (a) Public bodies in state government; and
- (b) Local governments, local service districts and special government bodies that are subject to the Municipal Audit Law.
- (2) The commission shall charge each public body for the public body's share of the expenses described in subsection (1) of this section for the biennium. The amount to be charged each public body shall be determined as follows:
- (a) The commission shall determine the rate to be charged public bodies in state government. The same rate shall be applied to each public body described in this paragraph. To determine the amount of the charge for each public body, the commission shall multiply the rate determined under this paragraph by the number of public officials serving the public body.
- (b) The commission shall set the charge for local governments, local service districts and special government bodies that are subject to the Municipal Audit Law so that each local government, local service district or special government body described in this paragraph pays an amount of the total expenses for the group that bears the same proportion to the total expenses that the amount charged to the local government, local service district or special government body for the municipal audit fee under ORS 297.485 bears to the total amount assessed for the municipal audit fee.
- (3) Each public body shall pay to the credit of the commission the charge described in this section as an administrative expense from funds or appropriations available to the public body in the same manner as other claims against the public body are paid.

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- (4) All moneys received by the commission under this section shall be credited to the Oregon Government Ethics Commission Account established under ORS 244.345.
- (5) The commission shall adopt rules specifying the methods for calculating and collecting the rates and charges described in this section.
 - (6) As used in this section:

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- 6 (a) "Local government" and "local service district" have the meanings given those terms in ORS 174.116.
 - (b) "Public body" has the meaning given that term in ORS 174.109.
- 9 (c) "Public official," notwithstanding ORS 244.020 [(13)] (14), means any person who, on the date 10 the commission charges the public body under this section, is serving the public body as an officer 11 or employee.
 - (d) "Special government body" has the meaning given that term in ORS 174.117.
- 13 (e) "State government" has the meaning given that term in ORS 174.111.
 - **SECTION 9.** ORS 244.290 is amended to read:
 - 244.290. (1) The Oregon Government Ethics Commission shall:
 - (a) Prescribe forms for statements required by this chapter and provide the forms to persons required to file the statements under this chapter or pursuant to a resolution adopted under ORS 244.160.
- 19 (b) Develop a filing, coding and cross-indexing system consistent with the purposes of this 20 chapter.
 - (c) Prepare and publish reports the commission finds are necessary.
 - (d) Make advisory opinions issued by the commission or the executive director of the commission available to the public at no charge on the Internet.
 - (e) Accept and file any information voluntarily supplied that exceeds the requirements of this chapter.
 - (f) Make statements and other information filed with the commission available for public inspection and copying during regular office hours, and make copying facilities available at a charge not to exceed actual cost.
 - (g) Not later than February 1 of each odd-numbered year, report to the Legislative Assembly any recommended changes to provisions of ORS 171.725 to 171.785 or this chapter.
 - (2) The commission shall adopt rules necessary to carry out its duties under ORS 171.725 to 171.785 and 171.992 and this chapter, including rules to:
 - (a) Create a procedure under which items before the commission may be treated under a consent calendar and voted on as a single item;
 - (b) Exempt a public official who is otherwise required to file a statement pursuant to ORS 244.050 from filing the statement if the regularity, number and frequency of the meetings and actions of the body over which the public official has jurisdiction are so few or infrequent as not to warrant the public disclosure;
 - (c) Establish an administrative process whereby a person subpoenaed by the commission may obtain a protective order;
 - (d) List criteria and establish a process for the commission to use prosecutorial discretion to decide whether to proceed with an inquiry or investigation;
 - (e) Establish a procedure under which the commission shall conduct accuracy audits of a sample of reports or statements filed with the commission under this chapter or ORS 171.725 to 171.785;
 - (f) Describe the application of provisions exempting items from the definition of "gift" in ORS

- 244.020 [(5)(b)] (6)(b) and the application of the prohibition on entertainment contained in ORS 244.025;
- 3 (g) Specify when a continuing violation is considered a single violation or a separate and dis-4 tinct violation for each day the violation occurs; and
 - (h) Set criteria for determining the amount of civil penalties that the commission may impose.
 - (3) The commission may adopt rules that:

- (a) Limit the minimum size of, or otherwise establish criteria for or identify, the smaller classes that qualify under the class exception from the definition of "potential conflict of interest" under ORS 244.020:
- (b) Require the disclosure and reporting of gifts or other compensation made to or received by a public official or candidate for public office;
- (c) Establish criteria for cases in which information relating to notices of actual or potential conflicts of interest shall, may not or may be provided to the commission under ORS 244.130; or
- (d) Allow the commission to accept the filing of a statement containing less than all of the information required under ORS 244.060 and 244.070 if the public official or candidate for public office certifies on the statement that the information contained on the statement previously filed is unchanged or certifies only as to any changed material.
 - (4) Not less frequently than once each calendar year, the commission shall:
- (a) Consider adoption of rules the commission deems necessary to implement or interpret provisions of this chapter relating to issues the commission determines are of general interest to public officials or candidates for public office or that are addressed by the commission or by commission staff on a recurring basis; and
- (b) Review rules previously adopted by the commission to determine whether the rules have continuing applicability or whether the rules should be amended or repealed.
- (5) The commission shall adopt by rule an electronic filing system under which statements required to be filed under ORS 244.050, 244.100 and 244.217 may be filed, without a fee, with the commission in an electronic format. The commission shall accept statements filed under ORS 244.050, 244.100 and 244.217 in a format that is not electronic.
- (6) The commission [shall] **may not** make statements filed under ORS 244.050, 244.100 and 244.217, including statements that are not filed in an electronic format, available in a searchable format for review by the public using the Internet.
- **SECTION 10.** ORS 244.290, as amended by section 9d, chapter 877, Oregon Laws 2007, is amended to read:
 - 244.290. (1) The Oregon Government Ethics Commission shall:
- (a) Prescribe forms for statements required by this chapter and provide the forms to persons required to file the statements under this chapter or pursuant to a resolution adopted under ORS 244.160.
- 38 (b) Develop a filing, coding and cross-indexing system consistent with the purposes of this 39 chapter.
 - (c) Prepare and publish reports the commission finds are necessary.
 - (d) Make advisory opinions issued by the commission or the executive director of the commission available to the public at no charge on the Internet.
 - (e) Accept and file any information voluntarily supplied that exceeds the requirements of this chapter.
 - (f) Make statements and other information filed with the commission available for public in-

- spection and copying during regular office hours, and make copying facilities available at a charge not to exceed actual cost.
- (g) Not later than February 1 of each odd-numbered year, report to the Legislative Assembly any recommended changes to provisions of ORS 171.725 to 171.785 or this chapter.
- (2) The commission shall adopt rules necessary to carry out its duties under ORS 171.725 to 171.785 and 171.992 and this chapter, including rules to:
- (a) Create a procedure under which items before the commission may be treated under a consent calendar and voted on as a single item;
- (b) Exempt a public official who is otherwise required to file a statement pursuant to ORS 244.050 from filing the statement if the regularity, number and frequency of the meetings and actions of the body over which the public official has jurisdiction are so few or infrequent as not to warrant the public disclosure;
- (c) Establish an administrative process whereby a person subpoenaed by the commission may obtain a protective order;
- (d) List criteria and establish a process for the commission to use prosecutorial discretion to decide whether to proceed with an inquiry or investigation;
- (e) Establish a procedure under which the commission shall conduct accuracy audits of a sample of reports or statements filed with the commission under this chapter or ORS 171.725 to 171.785;
- (f) Describe the application of provisions exempting items from the definition of "gift" in ORS 244.020 [(5)(b)] (6)(b) and the application of the prohibition on entertainment contained in ORS 244.025;
- (g) Specify when a continuing violation is considered a single violation or a separate and distinct violation for each day the violation occurs; and
 - (h) Set criteria for determining the amount of civil penalties that the commission may impose.
 - (3) The commission may adopt rules that:

- (a) Limit the minimum size of, or otherwise establish criteria for or identify, the smaller classes that qualify under the class exception from the definition of "potential conflict of interest" under ORS 244.020;
- (b) Require the disclosure and reporting of gifts or other compensation made to or received by a public official or candidate for public office;
- (c) Establish criteria for cases in which information relating to notices of actual or potential conflicts of interest shall, may not or may be provided to the commission under ORS 244.130; or
- (d) Allow the commission to accept the filing of a statement containing less than all of the information required under ORS 244.060 and 244.070 if the public official or candidate for public office certifies on the statement that the information contained on the statement previously filed is unchanged or certifies only as to any changed material.
 - (4) Not less frequently than once each calendar year, the commission shall:
- (a) Consider adoption of rules the commission deems necessary to implement or interpret provisions of this chapter relating to issues the commission determines are of general interest to public officials or candidates for public office or that are addressed by the commission or by commission staff on a recurring basis; and
- (b) Review rules previously adopted by the commission to determine whether the rules have continuing applicability or whether the rules should be amended or repealed.
- (5) The commission shall adopt by rule an electronic filing system under which statements required to be filed under ORS 244.050, 244.100 and 244.217 must be filed, without a fee, with the

1 commission in an electronic format.

- (6) The commission [shall] **may not** make statements filed under ORS 244.050, 244.100 and 244.217 available in a searchable format for review by the public using the Internet.
- **SECTION 11.** ORS 293.708 is amended to read:
- 293.708. (1) As used in this section:
 - (a) "Business" has the meaning given that term in ORS 244.020.
- 7 (b) "Business with which the person is associated" has the meaning given that term in ORS 244.020.
 - (c) "Relative" has the meaning given that term in ORS 244.020.
 - (2) When a person who is a member of the Oregon Investment Council becomes aware that action on a matter pending before the council might lead to private pecuniary benefit or detriment to the person, to a relative of the person or to a business with which the person or a relative of the person is associated, the member shall notify in writing the State Treasurer or the Chief Deputy State Treasurer that any action, decision or recommendation by the member might constitute an actual or potential conflict of interest. The member shall provide the notice not later than three business days after the member becomes aware of the possibility of an actual or potential conflict.
 - (3) Subsection (2) of this section does not apply if the pecuniary benefit or detriment arises out of circumstances described in ORS 244.020 [(11)(a) to (c)] (12).
 - (4) Complaints of violations of this section may be made to the Oregon Government Ethics Commission for review and investigation as provided by ORS 244.260 and for possible imposition of civil penalties as provided by ORS 244.350 or 244.360.
 - (5) Nothing in this section excuses a member of the council from compliance with ORS 244.120. **SECTION 12.** ORS 441.540 is amended to read:
 - 441.540. (1) An authority shall be managed and controlled by a board of directors, who shall be appointed by the governing body. The directors may be removed for cause or at the will of the governing body. The directors shall serve without compensation. However, the authority may reimburse the directors for their expenses incurred in the performance of their duties.
 - (2) The board of directors shall adopt and may amend rules for calling and conducting its meetings and carrying out its business and may adopt an official seal. All decisions of the board shall be by motion or resolution and shall be recorded in the board's minute book which shall be a public record. A majority of the board shall constitute a quorum for the transaction of business and a majority thereof shall be sufficient for the passage of any such motion or resolution.
 - (3) The board may employ such employees and agents as it deems appropriate and provide for their compensation.
 - (4) Notwithstanding the exception for pecuniary benefit or detriment described in ORS 244.020 [(11)(c)] (12)(c), a director is a public official subject to the requirements of ORS chapter 244 based on an actual conflict of interest or a potential conflict of interest arising out of the director's relationship with a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code, including employment with the nonprofit corporation or a relationship with a foundation that provides assistance to the nonprofit corporation.
 - SECTION 13. ORS 244.350 is amended to read:
 - 244.350. (1) The Oregon Government Ethics Commission may impose civil penalties not to exceed:
 - (a) Except as provided in paragraph (b) of this subsection, \$5,000 for violation of any provision of this chapter or any resolution adopted under ORS 244.160.

(b) \$25,000 for violation of ORS 244.045.

- (2)(a) Except as provided in paragraph (b) of this subsection, the commission may impose civil penalties not to exceed \$1,000 for violation of any provision of ORS 192.660.
- (b) A civil penalty may not be imposed under this subsection if the violation occurred as a result of the governing body of the public body acting upon the advice of the public body's counsel.
- (3) The commission may impose civil penalties not to exceed \$250 for violation of ORS 293.708. A civil penalty imposed under this subsection is in addition to and not in lieu of a civil penalty that may be imposed under subsection (1) of this section.
- (4)(a) The commission may impose civil penalties on a person who fails to file the statement required under ORS 244.050, 244.100 or 244.217. In enforcing this subsection, the commission is not required to follow the procedures in ORS 244.260 before finding that a violation of ORS 244.050, 244.100 or 244.217 has occurred.
- (b) Failure to file the required statement in timely fashion is prima facie evidence of a violation of ORS 244.050, 244.100 or 244.217.
- (c) The commission may impose a civil penalty of \$10 for each of the first 14 days the statement is late beyond the date set by law, or by the commission under ORS 244.050, and \$50 for each day thereafter. The maximum penalty that may be imposed under this subsection is \$5,000.
- [(d) A civil penalty imposed under this subsection is in addition to and not in lieu of sanctions that may be imposed under ORS 244.380.]
- (5) In lieu of or in conjunction with finding a violation of law or any resolution or imposing a civil penalty under this section, the commission may issue a written letter of reprimand, explanation or education.

SECTION 14. ORS 244.380 and 244.390 are repealed.

SECTION 15. (1) The amendments to ORS 244.020 and 244.040 by sections 1 and 3 of this 2009 Act apply to activities that occur on or after January 1, 2010.

- (2) The amendments to ORS 244.025 by section 2 of this 2009 Act apply to gifts received or made on or after January 1, 2010.
- (3) The amendments to ORS 244.050, 244.060 and 244.100 by sections 4, 5 and 7 of this 2009 Act apply to statements required to be filed with the Oregon Government Ethics Commission for reporting periods beginning on or after January 1, 2010.

<u>SECTION 16.</u> The amendments to ORS 244.020, 244.025, 244.040, 244.050, 244.060, 244.070, 244.100, 244.255, 244.290, 244.350, 293.708 and 441.540 by sections 1 to 13 of this 2009 Act and the repeal of ORS 244.380 and 244.390 by section 14 of this 2009 Act become operative on January 1, 2010.

SECTION 17. The Oregon Government Ethics Commission may take any action before January 1, 2010, that is necessary to enable the commission to exercise, on and after January 1, 2010, all the duties, functions and powers conferred upon the commission by the amendments to ORS 244.020, 244.025, 244.040, 244.050, 244.060, 244.070, 244.100, 244.255, 244.290, 244.350, 293.708 and 441.540 by sections 1 to 13 of this 2009 Act and the repeal of ORS 244.380 and 244.390 by section 14 of this 2009 Act.

SECTION 18. This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect on its passage.