

Senate Bill 801

Sponsored by Senator BATES

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**.

Revises provisions regarding gifts in government ethics laws. Exempts certain items from definition of "gift."

Modifies required contents of statement of economic interest.

Removes prohibition on former member of Legislative Assembly becoming compensated lobbyist. Reduces amount of civil penalty that may be imposed for violation of lobbying or government ethics law from \$5,000 to \$1,000.

Removes requirement to file quarterly statements.

Repeals provisions relating to legal expense trust fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to government ethics; creating new provisions; amending ORS 171.745, 171.750, 171.772, 171.992, 244.020, 244.040, 244.045, 244.060, 244.070, 244.100, 244.110, 244.290, 244.350, 351.067 and 353.270 and section 15b, chapter 877, Oregon Laws 2007; repealing ORS 171.752, 244.025, 244.042, 244.047, 244.105, 244.205, 244.207, 244.209, 244.211, 244.213, 244.215, 244.217, 244.219, 244.221 and 244.255; 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 instru-

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 ments at any point in the preceding calendar year;

2 (c) Any publicly held corporation of which the person or the person's relative is a director or
3 officer; or

4 (d) For public officials required to file a statement of economic interest under ORS 244.050, any
5 business [*listed as a source of income as required under ORS 244.060 (3)*] **from which 50 percent**
6 **or more of the total annual income of the person and members of the person's household is**
7 **derived during the current calendar year.**

8 (4) "Development commission" means any entity which has the authority to purchase, develop,
9 improve or lease land or the authority to operate or direct the use of land. This authority must be
10 more than ministerial.

11 (5)(a) "Gift" means something of economic value given to a public official or a relative [*or*
12 *member of the household*] of the public official:

13 (A) Without valuable consideration of equivalent value, including the full or partial forgiveness
14 of indebtedness, which is not extended to others who are not public officials or the relatives [*or*
15 *members of the household*] of public officials on the same terms and conditions; or

16 (B) For valuable consideration less than that required from others who are not public officials.

17 (b) "Gift" does not mean:

18 (A) Contributions as defined in ORS 260.005.

19 (B) Gifts from [*relatives or members of the household of the public official*] **family members.**

20 [*(C) An unsolicited token or award of appreciation in the form of a plaque, trophy, desk item, wall*
21 *memento or similar item, with a resale value reasonably expected to be less than \$25.*]

22 [*(D) Informational material, publications or subscriptions related to the recipient's performance of*
23 *official duties.*]

24 [*(E) Admission provided to or the cost of food or beverage consumed by a public official, or a*
25 *member of the household or staff of the public official when accompanying the public official, at a re-*
26 *ception, meal or meeting held by an organization before whom the public official appears to speak or*
27 *to answer questions as part of a scheduled program.*]

28 [*(F) Reasonable expenses paid by any unit of the federal government, a state or local government,*
29 *a Native American tribe that is recognized by federal law or formally acknowledged by a state, a*
30 *membership organization to which a public body as defined in ORS 174.109 pays membership dues or*
31 *a not-for-profit corporation that is tax exempt under section 501(c)(3) of the Internal Revenue Code and*
32 *that receives less than five percent of its funding from for-profit organizations or entities, for attendance*
33 *at a convention, fact-finding mission or trip, or other meeting if the public official is scheduled to de-*
34 *liver a speech, make a presentation, participate on a panel or represent state government as defined in*
35 *ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined*
36 *in ORS 174.117.*]

37 [*(G) Contributions made to a legal expense trust fund established under ORS 244.209 for the benefit*
38 *of the public official.*]

39 [*(H) Reasonable food, travel or lodging expenses provided to a public official, a relative of the*
40 *public official accompanying the public official, a member of the household of the public official ac-*
41 *companying the public official or a staff member of the public official accompanying the public official,*
42 *when the public official is representing state government as defined in ORS 174.111, a local government*
43 *as defined in ORS 174.116 or a special government body as defined in ORS 174.117.*]

44 [*(i) On an officially sanctioned trade-promotion or fact-finding mission; or*]

45 [*(ii) In officially designated negotiations, or economic development activities, where receipt of the*

1 *expenses is approved in advance.]*

2 *[(I) Food or beverage consumed by a public official acting in an official capacity:]*

3 *[(i) In association with the review, approval, execution of documents or closing of a borrowing,*
4 *investment or other financial transaction, including any business agreement between state government*
5 *as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body*
6 *as defined in ORS 174.117 and a private entity or public body as defined in ORS 174.109;]*

7 *[(ii) While engaged in due diligence research or presentations by the office of the State Treasurer*
8 *related to an existing or proposed investment or borrowing; or]*

9 *[(iii) While engaged in a meeting of an advisory, governance or policy-making body of a corpo-*
10 *ration, partnership or other entity in which the office of the State Treasurer has invested moneys.]*

11 *[(J) Waiver or discount of registration expenses or materials provided to a public official at a*
12 *continuing education event that the public official may attend to satisfy a professional licensing re-*
13 *quirement.]*

14 *[(K) Expenses provided by one public official to another public official for travel inside this state*
15 *to or from an event that bears a relationship to the receiving public official's office and at which the*
16 *official participates in an official capacity.]*

17 *[(L) Food or beverage consumed by a public official at a reception where the food or beverage is*
18 *provided as an incidental part of the reception and no cost is placed on the food or beverage.]*

19 *[(M) Entertainment provided to a public official or a relative or member of the household of the*
20 *public official that is incidental to the main purpose of another event.]*

21 *[(N) Entertainment provided to a public official or a relative or member of the household of the*
22 *public official where the public official is acting in an official capacity while representing state gov-*
23 *ernment as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special gov-*
24 *ernment body as defined in ORS 174.117 for a ceremonial purpose.]*

25 **(C) The giving or receiving of food, lodging and travel when participating in an event that**
26 **bears a relationship to the public official's office and when appearing in an official capacity,**
27 **subject to the reporting requirement of ORS 244.060 (6).**

28 **(D) The giving or receiving of food or beverage if the food or beverage is consumed by**
29 **the public official or the public official's relatives in the presence of the purchaser or pro-**
30 **vider thereof.**

31 **(E) The giving or receiving of entertainment if the entertainment is experienced by the**
32 **public official or the public official's relatives in the presence of the purchaser or provider**
33 **thereof and the value of the entertainment does not exceed \$100 per person on a single oc-**
34 **casión and is not greater than \$250 in any one calendar year.**

35 (6) "Honorarium" means a payment or something of economic value given to a public official in
36 exchange for services upon which custom or propriety prevents the setting of a price. Services in-
37 clude, but are not limited to, speeches or other services rendered in connection with an event.

38 (7) "Income" means income of any nature derived from any source, including, but not limited to,
39 any salary, wage, advance, payment, dividend, interest, rent, honorarium, return of capital,
40 forgiveness of indebtedness, or anything of economic value.

41 (8) "Legislative or administrative interest" means an economic interest, distinct from that of the
42 general public, in one or more bills, resolutions, regulations, proposals or other matters subject to
43 the action or vote of a person acting in the capacity of a public official.

44 (9) "Member of the household" means any *[person]* **relative** who resides with the public official.

45 (10) "Planning commission" means a county planning commission created under ORS chapter 215

1 or a city planning commission created under ORS chapter 227.

2 (11) "Potential conflict of interest" means any action or any decision or recommendation by a
 3 person acting in a capacity as a public official, the effect of which could be to the private pecuniary
 4 benefit or detriment of the person or the person's relative, or a business with which the person or
 5 the person's relative is associated, unless the pecuniary benefit or detriment arises out of the fol-
 6 lowing:

7 (a) An interest or membership in a particular business, industry, occupation or other class re-
 8 quired by law as a prerequisite to the holding by the person of the office or position.

9 (b) Any action in the person's official capacity which would affect to the same degree a class
 10 consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or
 11 other group including one of which or in which the person, or the person's relative or business with
 12 which the person or the person's relative is associated, is a member or is engaged.

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

15 (12) "Public office" has the meaning given that term in ORS 260.005.

16 (13) "Public official" means any person who, when an alleged violation of this chapter occurs,
 17 is serving the State of Oregon or any of its political subdivisions or any other public body as defined
 18 in ORS 174.109 as an elected official, appointed official, employee, agent or otherwise, irrespective
 19 of whether the person is compensated for the services.

20 (14) "Relative" means **the spouse of the public official, any children of the public official**
 21 **or of the public official's spouse, and brothers, sisters or parents of the public official or of**
 22 **the public official's spouse.[.]**

23 *[(a) The spouse of the public official;]*

24 *[(b) The domestic partner of the public official;]*

25 *[(c) Any children of the public official or of the public official's spouse;]*

26 *[(d) Siblings, spouses of siblings or parents of the public official or of the public official's*
 27 *spouse;]*

28 *[(e) Any individual for whom the public official has a legal support obligation; or]*

29 *[(f) Any individual for whom the public official provides benefits arising from the public official's*
 30 *public employment or from whom the public official receives benefits arising from that individual's*
 31 *employment.]*

32 (15) "Statement of economic interest" means a statement as described by ORS 244.060[,] **or**
 33 244.070 [or 244.100].

34 (16) **"Statewide official" means the Secretary of State or Secretary of State-elect, State**
 35 **Treasurer or State Treasurer-elect, Superintendent of Public Instruction or**
 36 **Superintendent-elect of Public Instruction, Attorney General or Attorney General-elect and**
 37 **the Commissioner of the Bureau of Labor and Industries or the Commissioner-elect of the**
 38 **Bureau of Labor and Industries.**

39 [(16)] (17) "Zoning commission" means an entity to which is delegated at least some of the dis-
 40 cretionary authority of a planning commission or governing body relating to zoning and land use
 41 matters.

42 **SECTION 2.** ORS 244.040 is amended to read:

43 244.040. (1) Except as provided in subsection (2) of this section, a public official may not use or
 44 attempt to use official position or office to obtain financial gain or avoidance of financial detriment
 45 for the public official, a relative [*or member of the household of the public official,*] or any business

1 with which the public official or a relative [*or member of the household of the public official*] is as-
 2 sociated, if the financial gain or avoidance of financial detriment would not otherwise be available
 3 but for the public official's holding of the official position or office.

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

5 (a) Any part of an official compensation package as determined by the public body that the
 6 public official serves.

7 (b) The receipt by a public official or a relative [*or member of the household of the public*
 8 *official*] of an honorarium [*or any other item allowed under ORS 244.042*] **allowed under subsection**
 9 **(6) of this section.**

10 (c) Reimbursement of expenses.

11 (d) An unsolicited award for professional achievement.

12 [*(e) Gifts that do not exceed the limits specified in ORS 244.025 received by a public official or a*
 13 *relative or member of the household of the public official from a source that could reasonably be known*
 14 *to have a legislative or administrative interest in a governmental agency in which the official holds any*
 15 *official position or over which the official exercises any authority.*]

16 [*(f) Gifts received by a public official or a relative or member of the household of the public official*
 17 *from a source that could not reasonably be known to have a legislative or administrative interest in a*
 18 *governmental agency in which the official holds any official position or over which the official exercises*
 19 *any authority.*]

20 [(g)] (e) The receipt by a public official or a relative or member of the household of the public
 21 official of any item, regardless of value, that is expressly excluded from the definition of "gift" in
 22 ORS 244.020.

23 [(h) Contributions made to a legal expense trust fund established under ORS 244.209 for the benefit
 24 of the public official.]

25 (3) A public official may not solicit or receive, either directly or indirectly, and a person may
 26 not offer or give to any public official any pledge or promise of future employment, based on any
 27 understanding that the vote, official action or judgment of the public official would be influenced
 28 by the pledge or promise.

29 (4) A public official may not attempt to further or further the personal gain of the public official
 30 through the use of confidential information gained in the course of or by reason of holding position
 31 as a public official or activities of the public official.

32 [(5) A person who has ceased to be a public official may not attempt to further or further the per-
 33 sonal gain of any person through the use of confidential information gained in the course of or by
 34 reason of holding position as a public official or the activities of the person as a public official.]

35 (5) A person may not offer during any calendar year any gifts with an aggregate value
 36 in excess of \$100 to any public official or candidate for public office or a relative of the public
 37 official or candidate if the person has a legislative or administrative interest in a govern-
 38 mental agency in which the official has or the candidate if elected would have any official
 39 position or over which the official exercises or the candidate if elected would exercise any
 40 authority.

41 (6)(a) A statewide official may not solicit or receive, whether directly or indirectly,
 42 honoraria for the statewide official or for any member of the household of the official. A
 43 candidate for statewide office may not solicit or receive, whether directly or indirectly,
 44 honoraria for the candidate or for any member of the household of the candidate.

45 (b) A legislative official may not solicit or receive, whether directly or indirectly,

1 **honoraria in an amount in excess of \$1,500 or in any amount for an appearance within the**
 2 **state or for an appearance during a legislative session, regardless of location, for the legis-**
 3 **lative official or for any member of the household of the legislative official, except that a**
 4 **legislative official may solicit or receive honoraria for services performed in relation to the**
 5 **private profession or occupation of the legislative official.**

6 **(c) Any public official not described in paragraph (a) or (b) of this subsection or a mem-**
 7 **ber of the public official's household may receive honoraria.**

8 [(6)] (7) A person may not attempt to represent or represent a client for a fee before the gov-
 9 erning body of a public body of which the person is a member. This subsection does not apply to the
 10 person's employer, business partner or other associate.

11 [(7)] (8) The provisions of this section apply regardless of whether actual conflicts of interest
 12 or potential conflicts of interest are announced or disclosed under ORS 244.120.

13 **SECTION 3.** ORS 244.045 is amended to read:

14 244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Depart-
 15 ment of Consumer and Business Services, the Administrator of the Division of Finance and Corpo-
 16 rate Securities, the Administrator of the Insurance Division, the Administrator of the Oregon Liquor
 17 Control Commission or the Director of the Oregon State Lottery shall not:

18 (a) Within one year after the public official ceases to hold the position become an employee of
 19 or receive any financial gain, other than reimbursement of expenses, from any private employer
 20 engaged in the activity, occupation or industry over which the former public official had authority;
 21 or

22 (b) Within two years after the public official ceases to hold the position:

23 (A) Be a lobbyist for or appear as a representative before the agency over which the person
 24 exercised authority as a public official;

25 (B) Influence or try to influence the actions of the agency; or

26 (C) Disclose any confidential information gained as a public official.

27 (2) A person who has been a Deputy Attorney General or an assistant attorney general shall
 28 not, within two years after the person ceases to hold the position, lobby or appear before an agency
 29 that the person represented while employed by the Department of Justice.

30 (3) A person who has been the State Treasurer or the Chief Deputy State Treasurer shall not,
 31 within one year after ceasing to hold office:

32 (a) Accept employment from or be retained by any private entity with whom the office of the
 33 State Treasurer or the Oregon Investment Council negotiated or to whom either awarded a contract
 34 providing for payment by the state of at least \$25,000 in any single year during the term of office
 35 of the treasurer;

36 (b) Accept employment from or be retained by any private entity with whom the office of the
 37 State Treasurer or the Oregon Investment Council placed at least \$50,000 of investment moneys in
 38 any single year during the term of office of the treasurer; or

39 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the of-
 40 fice of the State Treasurer or Oregon Investment Council as a representative of an investment in-
 41 stitution, manager or consultant.

42 (4) A public official who as part of the official's duties invested public funds shall not within two
 43 years after the public official ceases to hold the position:

44 (a) Be a lobbyist or appear as a representative before the agency, board or commission for which
 45 the former public official invested public funds;

1 (b) Influence or try to influence the agency, board or commission; or

2 (c) Disclose any confidential information gained as a public official.

3 (5)(a) A person who has been a member of the Department of State Police, who has held a po-
4 sition with the department with the responsibility for supervising, directing or administering pro-
5 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been
6 designated by the Superintendent of State Police by rule shall not, within one year after the member
7 of the Department of State Police ceases to hold the position:

8 (A) Accept employment from or be retained by or receive any financial gain related to gaming
9 from the Oregon State Lottery or any Native American tribe;

10 (B) Accept employment from or be retained by or receive any financial gain from any private
11 employer selling or offering to sell gaming products or services;

12 (C) Influence or try to influence the actions of the Department of State Police; or

13 (D) Disclose any confidential information gained as a member of the Department of State Police.

14 (b) This subsection does not apply to:

15 (A) Appointment or employment of a person as an Oregon State Lottery Commissioner or as a
16 Tribal Gaming Commissioner or regulatory agent thereof;

17 (B) Contracting with the Oregon State Lottery as a lottery game retailer;

18 (C) Financial gain received from personal gaming activities conducted as a private citizen; or

19 (D) Subsequent employment in any capacity by the Department of State Police.

20 (c) As used in this subsection, "Native American tribe" means any recognized Native American
21 tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public
22 Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

23 *[(6) A person who has been a member of the Legislative Assembly may not receive money or any
24 other consideration for lobbying as defined in ORS 171.725 performed during the period beginning on
25 the date the person ceases to be a member of the Legislative Assembly and ending on the date of
26 adjournment sine die of the next regular session of the Legislative Assembly that begins after the date
27 the person ceases to be a member of the Legislative Assembly.]*

28 **SECTION 4.** Section 15b, chapter 877, Oregon Laws 2007, is amended to read:

29 **Sec. 15b.** (1) For purposes of ORS 244.045 (6), if a special session of the Legislative Assembly
30 is held in calendar year 2008 or 2010, the first special session held in that calendar year is consid-
31 ered a regular session of the Legislative Assembly.

32 (2) This section is repealed January 1, [2011] **2010**.

33 **SECTION 5.** ORS 244.060 is amended to read:

34 244.060. The statement of economic interest filed under ORS 244.050 shall be on a form pre-
35 scribed by the Oregon Government Ethics Commission. The public official or candidate for public
36 office filing the statement shall supply the information required by this section and ORS 244.090, as
37 follows:

38 (1) The names of all positions as officer of a business and business directorships held by the
39 person or a member of the household of the person during the preceding calendar year[, *and the
40 principal address and a brief description of each business*].

41 (2) All names under which the person and members of the household of the person do business
42 [*and the principal address and a brief description of each business*].

43 (3) [*The names, principal addresses and brief descriptions of the five most significant*] Sources of
44 income received at any time during the preceding calendar year by the person and by each member
45 of the household of the person[, *a description of the type of income and the name of the person re-*

1 *ceiving the income*] that produce 10 percent or more of the total annual household income.

2 (4) The name, principal address and brief description of the source of income from which
3 50 percent or more of the total annual income of the person and members of the household
4 of the person was received during the preceding calendar year and whether the source ex-
5 isted during the preceding year and whether the source is derived from an entity that now
6 does business with, or could reasonably be expected to do business with, or has legislative
7 or administrative interest in, the governmental agency of which the public official is, or the
8 candidate if elected would be, a member or over which the public official has, or the candi-
9 date if elected would have, authority.

10 [(4)(a)] (5)(a) A list of all real property in which the public official or candidate for public office
11 or a member of the household of the public official or candidate has or has had any personal, ben-
12 efiticial ownership interest during the preceding calendar year, any options to purchase or sell real
13 property, including a land sales contract, and any other rights of any kind in real property located
14 within the geographic boundaries of the governmental agency of which the public official holds, or
15 the candidate if elected would hold, any official position or over which the public official exercises,
16 or the candidate if elected would exercise, any authority.

17 (b) This subsection does not require the listing of the principal residence of the public official
18 or candidate.

19 [(5) *The name of each member of the household of the person who is 18 years of age or older.*]

20 [(6) *The name of each relative of the person who is 18 years of age or older and not a member of*
21 *the household of the person.*]

22 (6)(a) Notwithstanding ORS 244.020 (5)(b)(C), if a public official has received food, lodging
23 and payment of travel expenses exceeding \$100 when participating in an event that bears a
24 relationship to the public official's office and when appearing in an official capacity, the
25 name, nature and business address of the organization paying the expenses and the date and
26 amount of that expenditure.

27 (b) The commission shall adjust the dollar amount specified in paragraph (a) of this
28 subsection annually based upon the change in the Portland Consumer Price Index for All
29 Urban Consumers for All Items as prepared by the Bureau of Labor Statistics of the United
30 States Department of Labor or its successor during the preceding 12-month period. The
31 commission shall round the amount determined under this paragraph to the nearest dollar.

32 (7) Any honoraria exceeding \$50 received during the preceding calendar year by the per-
33 son or a member of the household of the person, the payer of the honoraria and the date and
34 time of the event for which the honoraria was received.

35 **SECTION 6.** ORS 244.070 is amended to read:

36 244.070. A public official or candidate for public office shall report the following additional
37 economic interest for the preceding calendar year only if the source of that interest is derived from
38 an individual or business that has been doing business, does business or could reasonably be ex-
39 pected to do business with, or has legislative or administrative interest in, the governmental agency
40 of which the public official holds, or the candidate if elected would hold, any official position or over
41 which the public official exercises, or the candidate if elected would exercise, any authority:

42 (1) Each source of income over \$1,000, other than a source of income disclosed under ORS
43 244.060, whether or not taxable, received by the public official or candidate or a member of
44 the household of the public official or candidate.

45 [(1)] (2) Each person to whom the public official or candidate for public office or a member of

1 the household of the public official or candidate owes or has owed money in excess of \$1,000, the
 2 interest rate on money owed and the date of the loan, except for debts owed to any federal or state
 3 regulated financial institution or retail contracts.

4 [(2)] (3) The name, principal address and brief description of the nature of each business in
 5 which the public official or candidate for public office or a member of the household of the public
 6 official or candidate has or has had a personal, beneficial interest or investment, including stocks
 7 or other securities, in excess of \$1,000, except for individual items involved in a mutual fund or a
 8 blind trust, or a time or demand deposit in a financial institution, shares in a credit union, or the
 9 cash surrender value of life insurance.

10 [(3)] (4) Each person for whom the public official or candidate for public office has performed
 11 services for a fee in excess of \$1,000, except for any disclosure otherwise prohibited by law or by
 12 a professional code of ethics.

13 **SECTION 7.** ORS 244.100 is amended to read:

14 244.100. **In addition to any disclosures or reports required under this chapter or rules**
 15 **adopted under ORS 244.290, any person or organization that provides a public official with**
 16 **food, lodging or travel expenses exceeding \$100, as described in ORS 244.060 (6), shall notify**
 17 **the public official in writing of the amount of the expense. The notice shall be sent to the**
 18 **public official within 10 days from the date the expenses are incurred.**

19 [(1) *A public official or candidate for public office who is required to file a statement of economic*
 20 *interest under ORS 244.050 shall file with the Oregon Government Ethics Commission, according to the*
 21 *schedule set forth in ORS 244.105, a statement showing for the applicable reporting period.]]*

22 [(a) *Any expenses with an aggregate value exceeding \$50 received by the public official when par-*
 23 *ticipating in a convention, mission, trip or other meeting described in ORS 244.020 (5)(b)(F). The*
 24 *statement shall include the name and address of the organization or unit of government paying the*
 25 *expenses, the nature of the event and the date and amount of the expenditure.]]*

26 [(b) *Any expenses with an aggregate value exceeding \$50 received by the public official when par-*
 27 *ticipating in a mission or negotiations or economic development activities described in ORS 244.020*
 28 *(5)(b)(H). The statement shall include the name and address of the person paying the expenses, the*
 29 *nature of the event and the date and amount of the expenditure.]]*

30 [(c) *All honoraria allowed under ORS 244.042 exceeding \$15 received by the public official, can-*
 31 *didate or member of the household of the official or candidate, the payer of each honorarium and the*
 32 *date and time of the event for which the honorarium was received.]]*

33 [(d) *Each source of income exceeding an aggregate amount of \$1,000, whether or not taxable, re-*
 34 *ceived by the public official or candidate for public office, or a member of the household of the public*
 35 *official or candidate, if the source of that income is derived from an individual or business that has*
 36 *been doing business, does business or could reasonably be expected to do business with, or has legis-*
 37 *lative or administrative interest in, the governmental agency of which the public official holds, or the*
 38 *candidate if elected would hold, any official position or over which the public official exercises, or the*
 39 *candidate if elected would exercise, any authority.]]*

40 [(2) *In addition to statements required under subsection (1) of this section.]]*

41 [(a) *Any organization or unit of government that provides a public official with expenses with an*
 42 *aggregate value exceeding \$50 for an event described in ORS 244.020 (5)(b)(F) shall notify the public*
 43 *official in writing of the amount of the expense. The organization or unit shall provide the notice to the*
 44 *public official within 10 days from the date the expenses are incurred.]]*

45 [(b) *Any person that provides a public official or a member of the household of a public official*

1 *with an honorarium or other item allowed under ORS 244.042 with a value exceeding \$15 shall notify*
 2 *the public official in writing of the value of the honorarium or other item. The person shall provide the*
 3 *notice to the public official within 10 days after the date of the event for which the honorarium or other*
 4 *item was received.]*

5 **SECTION 8.** ORS 244.110 is amended to read:

6 244.110. (1) Each statement of economic interest required to be filed under ORS 244.050, 244.060,
 7 244.070, 244.090 or 244.100, [or by rule] under ORS 244.290, and each trading statement required to
 8 be filed under ORS 244.055 shall be signed and certified as true by the person required to file it and
 9 shall contain a written declaration that the statement is made under the penalties of false swearing.

10 (2) A person may not sign and certify a statement under subsection (1) of this section if the
 11 person knows that the statement contains information that is false.

12 (3) Violation of subsection (2) of this section is punishable as false swearing under ORS 162.075.

13 **SECTION 9.** ORS 244.290, as amended by section 9d, chapter 877, Oregon Laws 2007, is
 14 amended to read:

15 244.290. (1) The Oregon Government Ethics Commission shall:

16 (a) Prescribe forms for statements required by this chapter and provide the forms to persons
 17 required to file the statements under this chapter or pursuant to a resolution adopted under ORS
 18 244.160.

19 (b) Develop a filing, coding and cross-indexing system consistent with the purposes of this
 20 chapter.

21 (c) Prepare and publish reports the commission finds are necessary.

22 (d) Make advisory opinions issued by the commission or the executive director of the commis-
 23 sion available to the public at no charge on the Internet.

24 (e) Accept and file any information voluntarily supplied that exceeds the requirements of this
 25 chapter.

26 (f) Make statements and other information filed with the commission available for public in-
 27 spection and copying during regular office hours, and make copying facilities available at a charge
 28 not to exceed actual cost.

29 [(g) Not later than February 1 of each odd-numbered year, report to the Legislative Assembly any
 30 recommended changes to provisions of ORS 171.725 to 171.785 or this chapter.]

31 (2) The commission shall adopt rules necessary to carry out its duties under ORS 171.725 to
 32 171.785 and 171.992 and this chapter, including rules to:

33 (a) Create a procedure under which items before the commission may be treated under a consent
 34 calendar and voted on as a single item;

35 (b) Exempt a public official who is otherwise required to file a statement pursuant to ORS
 36 244.050 from filing the statement if the regularity, number and frequency of the meetings and actions
 37 of the body over which the public official has jurisdiction are so few or infrequent as not to warrant
 38 the public disclosure;

39 (c) Establish an administrative process whereby a person subpoenaed by the commission may
 40 obtain a protective order;

41 (d) List criteria and establish a process for the commission to use prosecutorial discretion to
 42 decide whether to proceed with an inquiry or investigation;

43 (e) Establish a procedure under which the commission shall conduct accuracy audits of a sample
 44 of reports or statements filed with the commission under this chapter or ORS 171.725 to 171.785;

45 [(f) Describe the application of provisions exempting items from the definition of "gift" in ORS

1 244.020 (5)(b) and the application of the prohibition on entertainment contained in ORS 244.025;]

2 [(g)] (f) Specify when a continuing violation is considered a single violation or a separate and
3 distinct violation for each day the violation occurs; and

4 [(h)] (g) Set criteria for determining the amount of civil penalties that the commission may im-
5 pose.

6 (3) The commission may adopt rules that:

7 (a) Limit the minimum size of, or otherwise establish criteria for or identify, the smaller classes
8 that qualify under the class exception from the definition of “potential conflict of interest” under
9 ORS 244.020;

10 (b) Require the disclosure and reporting of gifts or other compensation made to or received by
11 a public official or candidate for public office;

12 (c) Establish criteria for cases in which information relating to notices of actual or potential
13 conflicts of interest shall, may not or may be provided to the commission under ORS 244.130; or

14 (d) Allow the commission to accept the filing of a statement containing less than all of the in-
15 formation required under ORS 244.060 and 244.070 if the public official or candidate for public office
16 certifies on the statement that the information contained on the statement previously filed is un-
17 changed or certifies only as to any changed material.

18 (4) Not less frequently than once each calendar year, the commission shall:

19 (a) Consider adoption of rules the commission deems necessary to implement or interpret pro-
20 visions of this chapter relating to issues the commission determines are of general interest to public
21 officials or candidates for public office or that are addressed by the commission or by commission
22 staff on a recurring basis; and

23 (b) Review rules previously adopted by the commission to determine whether the rules have
24 continuing applicability or whether the rules should be amended or repealed.

25 [(5) The commission shall adopt by rule an electronic filing system under which statements required
26 to be filed under ORS 244.050, 244.100 and 244.217 must be filed, without a fee, with the commission
27 in an electronic format.]

28 [(6) The commission shall make statements filed under ORS 244.050, 244.100 and 244.217 available
29 in a searchable format for review by the public using the Internet.]

30 **SECTION 10.** ORS 244.350 is amended to read:

31 244.350. (1) The Oregon Government Ethics Commission may impose civil penalties not to ex-
32 ceed:

33 (a) Except as provided in paragraph (b) of this subsection, [\$5,000] **\$1,000** for violation of any
34 provision of this chapter or any resolution adopted under ORS 244.160.

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

36 (2)(a) Except as provided in paragraph (b) of this subsection, the commission may impose civil
37 penalties not to exceed \$1,000 for violation of any provision of ORS 192.660.

38 (b) A civil penalty may not be imposed under this subsection if the violation occurred as a result
39 of the governing body of the public body acting upon the advice of the public body’s counsel.

40 (3) The commission may impose civil penalties not to exceed \$250 for violation of ORS 293.708.
41 [A civil penalty imposed under this subsection is in addition to and not in lieu of a civil penalty that
42 may be imposed under subsection (1) of this section.]

43 [(4)(a) The commission may impose civil penalties on a person who fails to file the statement re-
44 quired under ORS 244.050, 244.100 or 244.217. In enforcing this subsection, the commission is not re-
45 quired to follow the procedures in ORS 244.260 before finding that a violation of ORS 244.050, 244.100

1 or 244.217 has occurred.]

2 [(b) Failure to file the required statement in timely fashion is prima facie evidence of a violation
3 of ORS 244.050, 244.100 or 244.217.]

4 [(c) The commission may impose a civil penalty of \$10 for each of the first 14 days the statement
5 is late beyond the date set by law, or by the commission under ORS 244.050, and \$50 for each day
6 thereafter. The maximum penalty that may be imposed under this subsection is \$5,000.]

7 [(d) A civil penalty imposed under this subsection is in addition to and not in lieu of sanctions that
8 may be imposed under ORS 244.380.]

9 [(5) In lieu of or in conjunction with finding a violation of law or any resolution or imposing a civil
10 penalty under this section, the commission may issue a written letter of reprimand, explanation or ed-
11 ucation.]

12 **SECTION 11.** ORS 171.745 is amended to read:

13 171.745. (1) A lobbyist registered with the Oregon Government Ethics Commission or required
14 to register with the commission shall, [according to the schedule described in ORS 171.752] **on Jan-
15 uary 31 and July 31 of each even-numbered year, and on January 31, April 30 and July 31 of
16 each odd-numbered year**, file with the commission a statement showing [for the applicable reporting
17 period]:

18 (a) The total amount of all moneys expended [for food, refreshments and entertainment] by the
19 lobbyist for the purpose of lobbying[.] **in the preceding reporting period for:**

20 **(A) Food, refreshments and entertainment;**

21 **(B) Printing, postage and telephone;**

22 **(C) Advertising, public relations, education and research; and**

23 **(D) Miscellaneous; and**

24 **(b) The name of any legislative or executive official to whom or for whose benefit, on any
25 one occasion, an expenditure in excess of \$25 is made for the purposes of lobbying, and the
26 date, name of payee, purpose and amount of that expenditure.**

27 [(b) The name of any legislative or executive official to whom or for whose benefit, on any one oc-
28 casion, an expenditure is made for the purposes of lobbying, and the date, name of payee, purpose and
29 amount of that expenditure. This paragraph applies if the total amount expended on the occasion by
30 one or more persons exceeds \$50.]

31 **(2) The commission shall adjust the dollar amount specified in subsection (1)(b) of this
32 section annually based upon the change in the Portland Consumer Price Index for All Urban
33 Consumers for All Items as prepared by the Bureau of Labor Statistics of the United States
34 Department of Labor or its successor during the preceding 12-month period. The commission
35 shall round the amount determined under this subsection to the nearest dollar.**

36 [(2)] **(3) Statements required by this section need not include amounts expended by the lobbyist
37 for personal living and travel expenses and office overhead, including salaries and wages paid for
38 staff and secretarial assistance, and maintenance expenses. If the amount of any expenditure re-
39 quired to be included in a statement is not accurately known at the time the statement is required
40 to be filed, an estimate of the expenditure shall be submitted in the statement and designated as an
41 estimate. The exact amount expended for which a previous estimate was made shall be submitted in
42 a subsequent report when the information is available.**

43 **(4) Notwithstanding ORS 171.735 and 171.740 and subsections (1) to (3) of this section, a
44 registered lobbyist who engages in lobbying activities without compensation on behalf of an
45 organization is not required to register as a lobbyist for the organization as long as the lob-**

1 **bying activity does not exceed the financial or time limit set in ORS 171.735 (4).**

2 [(3)] (5) A statement required by this section shall include a copy of any notice provided to a
3 public official under ORS 244.100 [(2)].

4 [(4)] (6) For each statement required by this section, an entity [*comprised of*] **comprising** more
5 than one lobbyist may file one statement that reports expenditures by the entity and not by indi-
6 vidual lobbyists.

7 **SECTION 12.** ORS 171.750 is amended to read:

8 171.750. (1) Any person on whose behalf a lobbyist was registered, or was required to register,
9 with the Oregon Government Ethics Commission at any time during the **preceding** calendar year
10 shall file with the commission, [*according to the schedule described in ORS 171.752*] **by January 31**
11 **of each year**, a statement showing for the [*applicable reporting period*] **preceding calendar year**:

12 (a) The total amount of all moneys expended for lobbying activities on the person's behalf, ex-
13 cluding living and travel expenses incurred for a lobbyist performing lobbying services.

14 [(b) *The name of any legislative or executive official to whom or for whose benefit, on any one oc-*
15 *casione, an expenditure is made for the purposes of lobbying by the person, and the date, name of payee,*
16 *purpose and amount of that expenditure. This paragraph applies if the total amount expended on the*
17 *occasion by one or more persons exceeds \$50. This paragraph does not apply to information reported*
18 *in compliance with ORS 171.745.*]

19 [(c) *The name of each registered lobbyist or entity comprised of more than one lobbyist to whom*
20 *the person paid moneys for lobbying activities on the person's behalf, excluding living and travel ex-*
21 *periences incurred for a lobbyist performing lobbying services, and the total amount of moneys paid to*
22 *that lobbyist or entity.*]

23 **(b) The name of any legislative or executive official to whom or for whose benefit, on any**
24 **one occasion, an expenditure in excess of \$25 for the purpose of lobbying is made by the**
25 **person, but not including information previously reported in compliance with ORS 171.745,**
26 **and the date, name of payee, purpose and amount of that expenditure.**

27 **(2) The commission shall adjust the dollar amount specified in subsection (1)(b) of this**
28 **section annually based upon the change in the Portland Consumer Price Index for All Urban**
29 **Consumers for All Items as prepared by the Bureau of Labor Statistics of the United States**
30 **Department of Labor, or its successor, during the preceding 12-month period. The commis-**
31 **sion shall round the amount determined under this subsection to the nearest dollar.**

32 [(2)] (3) A statement required under subsection (1) of this section shall include a copy of any
33 notice provided to a public official under ORS 244.100 [(2)].

34 **SECTION 13.** ORS 171.772, as amended by section 8a, chapter 877, Oregon Laws 2007, is
35 amended to read:

36 171.772. In carrying out the provisions of ORS 171.725 to 171.785, the Oregon Government Ethics
37 Commission shall:

38 (1) Prescribe by rule forms for registrations, statements and reports required to be filed by ORS
39 171.725 to 171.785 and provide the forms to persons required to register and to file the statements
40 and reports.

41 (2) Accept and file any information voluntarily supplied that exceeds the requirements of ORS
42 171.725 to 171.785.

43 (3) Make registrations, statements and reports filed available for public inspection and copying
44 during regular office hours, and make copying facilities available at a charge not to exceed actual
45 cost.

1 *[(4) Adopt by rule an electronic filing system under which statements required to be filed under*
2 *ORS 171.745 and 171.750 must be filed with the commission in an electronic format. The commission*
3 *may not charge a fee for filing a statement under this subsection.]*

4 *[(5) Provide training on procedures for filing statements under subsection (4) of this section.]*

5 *[(6) Make statements filed under ORS 171.745 and 171.750 available in a searchable format for*
6 *review by the public using the Internet.]*

7 **SECTION 14.** ORS 171.992 is amended to read:

8 171.992. (1) Any person who violates any provision of ORS 171.740 to 171.762, or any rule
9 adopted under ORS 171.725 to 171.785, shall forfeit and pay to the General Fund for each violation
10 a civil penalty of not more than [~~\$5,000~~] **\$1,000**, to be determined by the Oregon Government Ethics
11 Commission.

12 *[(2)(a) The commission may impose civil penalties upon a person who fails to file the statement*
13 *required under ORS 171.745 or 171.750. In enforcing this subsection, the commission is not required*
14 *to follow the procedures in ORS 171.778 before finding that a violation of ORS 171.745 or 171.750 has*
15 *occurred.]*

16 *[(b) Failure to file the required statement in timely fashion is prima facie evidence of a violation*
17 *of ORS 171.745 or 171.750.]*

18 *[(c) The commission may impose a civil penalty of \$10 for each of the first 14 days the statement*
19 *is late beyond the date set by law and \$50 for each day thereafter. The maximum penalty that may be*
20 *imposed under this subsection is \$5,000.]*

21 *[(3)]* **(2)** A civil penalty imposed under this section may be recovered in an action brought in the
22 name of the State of Oregon in any court of appropriate jurisdiction or may be imposed as provided
23 in ORS 183.745. In any proceedings before the court, including judicial review under ORS 183.745,
24 the court may review the penalty as to both liability and reasonableness of amount.

25 *[(4)(a) Except as provided in paragraph (b) of this subsection, the commission shall report, in the*
26 *manner described in ORS 192.245, to the Legislative Assembly violations of any provision of ORS*
27 *171.740 to 171.762, or any rule adopted under ORS 171.725 to 171.785, for which a penalty is imposed*
28 *under this section. The report shall include the name of the person against whom the penalty was im-*
29 *posed and describe the nature of the violation.]*

30 *[(b) The commission shall adopt rules specifying conditions under which repeated violations of*
31 *ORS 171.745 or 171.750 involving a failure to file required statements in a timely fashion are reported*
32 *to the Legislative Assembly.]*

33 *[(5) In lieu of or in conjunction with finding a violation of law or rule or imposing a civil penalty*
34 *under this section, the commission may issue a written letter of reprimand, explanation or education.]*

35 **SECTION 15.** ORS 353.270 is amended to read:

36 353.270. (1) Oregon Health and Science University may authorize receipt of compensation for
37 any officer or employee of the university from private or public resources, including but not limited
38 to income from:

39 (a) Consulting;

40 (b) Appearances and speeches;

41 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within
42 the university;

43 (d) Providing services or other valuable consideration for a private corporation, individual or
44 entity, whether paid in cash or in kind, stock or other equity interest, or anything of value regard-
45 less of whether there is a licensing agreement between the university and the private entity;

1 (e) Performing public duties paid by private organizations, including university corporate affil-
 2 iates, that augment an officer's or employee's publicly funded salary. Such income shall be author-
 3 ized and received in accordance with policies established by the university; and

4 (f) Providing medical and other health services.

5 (2) The university may not authorize compensation, as described in subsection (1) of this section,
 6 that, in the university's judgment, does not comport with the missions of the university or substan-
 7 tially interferes with an officer's or employee's duties to the university.

8 (3) Any compensation described and authorized under subsection (1) of this section is considered
 9 official compensation or reimbursement of expenses for purposes of ORS 244.040 [*and is not consid-*
 10 *ered an honorarium prohibited by ORS 244.042*]. If authorization or receipt of the compensation
 11 creates a potential conflict of interest, the officer or employee shall report the potential conflict in
 12 writing in accordance with policies of the university. The disclosure is a public record subject to
 13 public inspection.

14 (4) The university shall adopt standards governing employee outside employment and activities
 15 of employees, including potential conflicts of interest, as defined by the university and consistent
 16 with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing po-
 17 tential or actual conflict of interest complaints.

18 **SECTION 16.** ORS 351.067 is amended to read:

19 351.067. (1) In carrying out its authority under ORS 351.070, the State Board of Higher Educa-
 20 tion may authorize receipt of compensation for any officer or employee of the Oregon University
 21 System from private or public resources, including, but not limited to, income from:

22 (a) Consulting;

23 (b) Appearances and speeches;

24 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within
 25 the Oregon University System;

26 (d) Providing services or other valuable consideration for a private corporation, individual, or
 27 entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regard-
 28 less of whether there is a licensing agreement between the Oregon University System and the pri-
 29 vate entity; and

30 (e) Performing public duties paid by private organizations, including institution corporate affil-
 31 iates, which augment an officer's or employee's publicly funded salary. Such income shall be au-
 32 thorized and received in accordance with policies and rules established by the board.

33 (2) The board may not authorize compensation, as defined in subsection (1) of this section, that,
 34 in the board's judgment, does not comport with the mission of the institution and the Oregon Uni-
 35 versity System or substantially interferes with an officer's or employee's duties to the Oregon Uni-
 36 versity System.

37 (3) Any compensation described and authorized under subsection (1) of this section is considered
 38 official compensation or reimbursement of expenses for purposes of ORS 244.040 [*and is not consid-*
 39 *ered an honorarium prohibited by ORS 244.042*]. If authorization or receipt of the compensation
 40 creates a potential conflict of interest, the officer or employee shall report the potential conflict in
 41 writing in accordance with rules of the state board. The disclosure is a public record subject to
 42 public inspection.

43 (4) The state board shall adopt by rule standards governing employee outside employment and
 44 activities, including potential conflict of interest, as defined by state board rule and consistent with
 45 ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential

1 or actual conflict of interest complaints.

2 **SECTION 17. ORS 171.752, 244.025, 244.042, 244.047, 244.105, 244.205, 244.207, 244.209,**
3 **244.211, 244.213, 244.215, 244.217, 244.219, 244.221 and 244.255 are repealed.**

4 **SECTION 18. The amendments to ORS 171.745, 171.750, 171.772, 171.992, 244.020, 244.040,**
5 **244.045, 244.060, 244.070, 244.100, 244.110, 244.290, 244.350, 351.067 and 353.270 and section 15b,**
6 **chapter 877, Oregon Laws 2007, by sections 1 to 16 of this 2009 Act and the repeal of ORS**
7 **171.752, 244.025, 244.042, 244.047, 244.105, 244.205, 244.207, 244.209, 244.211, 244.213, 244.215,**
8 **244.217, 244.219, 244.221 and 244.255 by section 17 of this 2009 Act become operative January**
9 **1, 2010.**

10 **SECTION 19. This 2009 Act being necessary for the immediate preservation of the public**
11 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**
12 **on its passage.**

13 _____