

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 7 - 0 - 1
Yeas: Barnhart, Berger, Freeman, Garrett, Holvey, Wingard, Olson
Nays: -
Exc.: Hunt
Prepared By: Jim Stenbridge, Administrator
Meeting Dates: 4/4, 5/9

WHAT THE MEASURE DOES: Reduces maximum penalty, from \$5,000 to \$1,000, for failure to file timely expenditure statement, for late filings of statements of economic interest, and, for a legal expense trust fund, late filing of contributions received and expenditures made by the trustee.

ISSUES DISCUSSED:

- Position of the Ethics Commission
- Penalties for failure to register and other violations, which would continue at as much as \$5,000
- Limit of application of measure to late filing of expenditure statements

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2007, the Legislative Assembly passed two ethics reform measures, Senate Bill 10 and House Bill 2595. Senate Bill 10 imposed up to a \$5,000 maximum penalty for a person who fails to file timely statement of economic interest or statement of contributions and expenditures. ORS 244.350(4)(c) specifies the methodology that Oregon Government Ethics Commission (OGEC) is required to utilize when imposing late-filing penalties. The statute imposes a fine of \$10 per day for the first 14 days that statement is late, and then \$50 per day until it reaches \$5,000. Although the OGEC does not have discretion when imposing the penalty—the penalty is based on the mathematical calculation and automatically imposed—the penalties are subject to appeal to the Board. As a result of the number of penalty appeals, the OGEC reports that a disproportionate amount of Commission and staff time is spent resolving late-filing issues.

SB 273-A does not change the penalty amounts for filing an incorrect report, not registering, or not filing. The maximum amount on those penalties remains at \$5,000. For filing an expenditure report late, the days are counted and the penalty is determined by the number of days late. Senate Bill 273-A reduces the maximum late filing penalty, only, from \$5,000 to \$1,000.