

REVENUE: No revenue impact  
FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Atkinson, Beyer, Burdick, Ferrioli, Rosenbaum
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Erin Seiler, Administrator
<b>Meeting Dates:</b>	2/24, 3/3

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**WHAT THE MEASURE DOES:** Reduces maximum penalty from \$5,000 to \$1,000 for failure to file certain ethics statements in timely manner.

**ISSUES DISCUSSED:**

- Lack of discretion when imposing the initial civil penalty
- Process for requesting a reduction in penalty
- Number of requests that the Oregon Government Ethics Commission has considered since 2008
- Reasons that statements are filed late by public officials and lobbyists
- Reason for amendment

**EFFECT OF COMMITTEE AMENDMENT:** Reduces maximum penalty from \$5,000 to \$1,000 for failure to file lobbyist and lobbyist employer statements of expenditure in timely manner.

**BACKGROUND:** In 2007, the Legislature Assembly passed two ethics reform measures, Senate Bill 10 and House Bill 2595. Senate Bill 10 imposed up to a \$5000 maximum penalty for 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 filing penalties. The statute imposes fine of \$10 per day for the first 14 days that statement is late, and then \$50 per day until it reaches \$5000.

OGEC does not have discretion when imposing the penalty, as the financial penalty is based on the mathematical calculation and automatically imposed upon receipt of filing. A public official, lobbyist, or business may appeal a civil penalty by submitting a request to OGEC for reduction or dismissal of the penalty and OGEC is required to consider each request as part of OGEC meeting agendas.

The lack of discretion regarding the imposition of penalties has limited the ability of OGEC to address other business in a timely manner because each request for reduction or dismissal of the penalty requires a vote of the OGEC. As result a disproportionate amount of OGEC and staff time is spent resolving statement of economic interest and contributions and expenditures filing issues, as OGEC has had to consider 307 total requests, where the resolution in more than 50 percent of statement of economics issues has been a letter of education.