

Senate Bill 786

Sponsored by Senators PROZANSKI, MANNING JR, Representative PHAM K; Representative DEXTER

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**.

Establishes annual salary of members of Legislative Assembly equal to annual average wage for all covered employment in Oregon for prior year. Directs that salary of members of Legislative Assembly be adjusted to conform to annual average wage for all covered employment only once every two years.

Applies cost-of-living adjustment to monthly interim expense allowance received by members.

Applies to pay periods beginning on or after January 1, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to legislator compensation; creating new provisions; amending ORS 171.072; and prescribing
3 an effective date.

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

5 **SECTION 1.** ORS 171.072 is amended to read:

6 171.072. (1)(a) A member of the Legislative Assembly shall receive for services an annual salary
7 that equals [*one step below the maximum step of Salary Range 1 in the Management Service Com-*
8 *ensation Plan in the executive department as defined in ORS 174.112.*] **the annual average wage**
9 **for all covered employment in Oregon, as published for the prior calendar year by the Em-**
10 **ployment Department.**

11 **(b) The adjustment to annual salary described in paragraph (a) of this subsection shall**
12 **be made only once every two years and shall be applied to pay periods beginning July 1 fol-**
13 **lowing the determination of the annual average wage for all covered employment in Oregon.**

14 **(c) Notwithstanding paragraph (a) or (b) of this subsection, the amount a member of the**
15 **Legislative Assembly receives for services may not be decreased by more than two percent**
16 **from the annual salary the member received in the prior calendar year.**

17 (2) The President of the Senate and the Speaker of the House of Representatives each shall re-
18 ceive for services, as additional salary, an amount equal to the salary allowed each of them as a
19 member under subsection (1) of this section.

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

25 (4) A member of the Legislative Assembly shall receive, as an allowance for expenses incurred
26 in the performance of official duties during periods when the legislature is not in session, \$400 for
27 each calendar month or part of a calendar month during those periods, to be paid monthly, and
28 subject to approval of the President of the Senate or Speaker of the House of Representatives,

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 mileage expenses and a per diem determined as provided in subsection (9) of this section for each
2 day a member is engaged in the business of legislative interim and statutory committees, including
3 advisory committees and subcommittees of advisory committees, and task forces and for each day
4 a member serves on interstate bodies, advisory committees and other entities on which the member
5 serves ex officio, whether or not the entity is a legislative one.

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

10 (6) The President of the Senate and the Speaker of the House of Representatives may delegate
11 to the chairpersons of interim and statutory committees and task forces the approval authority
12 granted to the President and the Speaker by subsection (4) of this section, with respect to expenses
13 incurred in attending any meeting of a particular committee or task force.

14 (7) Amounts received under subsections (3) to (5) of this section are excluded from gross income
15 and expenditures of the amounts are excluded in computing deductions for purposes of ORS chapter
16 316. If there is attached to the personal income return a schedule of all ordinary and necessary
17 business expenses paid during the tax year as a member of the Legislative Assembly, a deduction
18 may be claimed on the return for legislative expenses paid in excess of the amounts received under
19 subsections (3) to (5) of this section. Expenses of members of the Legislative Assembly who are re-
20 imburged by the state for actual expenses for meals and lodging associated with state travel for the
21 same period during which a legislator receives per diem are subject to state income tax.

22 (8) For periods when the Legislative Assembly is not in session, a member of the Legislative
23 Assembly shall receive an expense allowance that is in addition to the amount allowed under sub-
24 section (4) of this section. The amount allocated to a member under this subsection must be adjusted
25 based on the geographic area of the member's district to reflect travel expenses necessary to com-
26 municate in the district.

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

30 (10)(a) **The interim expense allowance described in subsection (4) of this section shall be**
31 **adjusted each July 1 by a cost-of-living adjustment equal to the percentage by which the**
32 **monthly averaged U.S. City Average Consumer Price Index for the preceding calendar year**
33 **exceeds the monthly averaged U.S. City Average Consumer Price Index for the 2023 calendar**
34 **year.**

35 (b) **As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S.**
36 **City Average Consumer Price Index for All Urban Consumers (All Items) as published by the**
37 **Bureau of Labor Statistics of the United States Department of Labor.**

38 **SECTION 2. The amendments to ORS 171.072 by section 1 of this 2023 Act apply to pay**
39 **periods under ORS 171.072 beginning on or after January 1, 2024.**

40 **SECTION 3. Notwithstanding ORS 171.072, as amended by section 1 of this 2023 Act:**

41 (1) **For pay periods beginning on or after January 1, 2024, and before July 1, 2024, the**
42 **adjustment to annual salary described in ORS 171.072 (1)(a) shall be based on the annual av-**
43 **erage wage for all covered employment in Oregon as determined for the 2022 calendar year;**
44 **and**

45 (2) **The annual salary shall be adjusted again for pay periods beginning on or after July**

1 1, 2024, and before July 1, 2025, so as to be based on the annual average wage for all covered
2 employment in Oregon as determined for the 2024 calendar year.

3 **SECTION 4.** This 2023 Act takes effect on the 91st day after the date on which the 2023
4 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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