

SENATE BILL 10

Section by Section Analysis

Sections 1-4: Sets funding procedure for Government Standards and Practices Commission. Directs commission to estimate expenses for biennium and to determine what percentage of those expenses will be paid by state and local governments.

Directs commission to charge public bodies in state government based on number of public officials serving the public body.

Directs commission to charge local governments an amount that bears same proportion to total expenses to be paid by local governments as amount charged to local government under Municipal Audit Law bears to total amount assessed for municipal audit fees.

Section 5: Requires lobbyists and lobbyist entities to file quarterly spending reports with the Commission.

Section 6-7: Lobbyists and lobbying entities must itemize any expenditure for the purpose of lobbying that exceeds \$50 “on any one occasion”. This applies if total amount expended on the occasion by one or more persons exceeds \$50.

\$50 or less per event/occasion is exempt from itemized reporting by lobbyist, but must be included in aggregate total. The \$50 is indexed to CPI.

Section 8, 8a and 8b: Administrative provisions providing for electronic filing of lobbyist statements. Electronic statements MAY be filed until January 31, 2009. Electronic statements MUST be filed on or after January 1, 2010.

Sections 9a and b: Administrative provisions for electronic filing of annual statements of economic interest and quarterly statements under ORS 244.100 and the legal defense fund provisions. Electronic statements MAY be filed until January 31, 2009. Electronic statements MUST be filed on or after January 1, 2010.

Section 10-11: Civil Penalties:

Lobbying and public official fines. Fine increased from \$1000 to \$5000 per violation. Failure to file report deemed prima facie evidence of violation.

Late fees for failing to get reports in on time.

In lieu of finding violation of law or imposing a civil penalty, commission may issue letter of reprimand, explanation or education.

Section 12: Restatement of current law: In addition to civil fines, public official who benefits financially from position shall pay twice his financial gain.

Section 13: Restatement regarding Economic Interest forms:

One free reminder to be sent not less than 5 days after due date.

Civil penalty language moved to section 11.

Section 14: Campaign funds may not be used to pay civil or criminal penalties or legal expenses. Exception: campaign funds may be used to pay election law civil penalties (other than violations involving prohibited personal use of campaign funds) and may be used to pay legal expenses in connection with election law proceeding (other than proceedings involving prohibited personal use of campaign funds).

Section 15: Subsequent Employment.

Legislators cannot lobby for financial gain until end of regular session that begins after date the person leaves office.

The first special session held in 2008 or 2010 is counted as a regular session. This treatment of special sessions is “repealed January 1, 2011.”

Section 16 Gifts/Financial Gain

Essentially, **\$50 maximum annual aggregated Gifts** from a single source to include everything **except for:** (For complete list, see Section 16 of the bill.)

Cost of food or beverage at reception of “an organization” before whom official is to speak or answer questions as “part of a scheduled program.”

Reasonable expenses paid by such groups as NCSL, ALEC, etc. for trips to conventions, fact-finding missions ...if public official...represents the state or local gov.

Contributions to “Legal Expense Trust Fund” explained later.

Reasonable costs of trip that is “officially-sanctioned trade-promotion or fact-finding mission, that requires written report upon completion.

Exemption for food and beverage involved in review of financial documents.

Exemption for Office of State Treasurer so long as expenses do not exceed \$50.

Exemption for travel provided inside Oregon by one public official to another public official.

Exemption for food and beverage at a ceremonial reception where food or beverage are incidental and there is no price placed on them.

Some exemptions include the official’s or member’s relative. Some include members of the household. (Both defined in section 16, amending 244.020).

Section 17: Public official may not use position for personal benefit or gain or to avoid financial detriment.

Does NOT apply to gifts under the \$50 limit set in Section 18 below.

Does NOT apply to items exempted from the definition of gift in Section 16.

Does NOT apply to gifts from sources where official could not reasonably have known they had interests before the legislature or agency for which official works or supervises, etc.

Does NOT apply to contributions made to a legal defense fund.

This section applies regardless of disclosure of actual or potential conflict of interest.

Section 18:

Public Officials, candidates and relatives cannot receive or solicit gifts with aggregate annual value of more than \$50 from any single source.

Person with a legislative or administrative interest may not give gift with aggregate annual value exceeding \$50 to public official, candidate or relative.

The gift limitation does not apply to judges.

Section 19-23: Amendments to Economic Interest Form Requirements for Officials.

Annual statement of economic interest must list:

5 most significant sources of income for every member of the family, with “a description of the type of income.”

Data for finances including income, money owed, in excess of \$1,000, where debt or investment involves person with legislative or administrative interest;

Quarterly statements must list:

Any expenses paid in excess of \$50 while on a trip, convention, mission, etc.

Honoraria in excess of \$15.

Each source of income exceeding an aggregate of \$1,000...if...source...is derived from an individual or business...doing business...with legislature, etc.

Any payment to official’s and relatives’ expenses exceeding \$50 for an event.

A person who pays for certain travel expenses or honoraria must provide the public official with notice of the amount expended.

Section 24 Honoraria—Money and plaques and other items OK up to \$50.

Honoraria received in connection with private profession are not limited.

Section 25: OK to ask Commission for opinion, based on either actual or hypothetical circumstances. (Conforming amendments to accommodate changes to law relating to honoraria).

Section 26: Certain exceptions for higher education officials relating to honoraria, etc.

Section 27-36: Legal Expense Trust Fund

If an official gets into trouble, a LETF can be established and anyone can contribute to offset the legal expenses, etc. Will allow both “offensive” and “defensive” uses of trust fund.

After the matter is resolved left over money must be redistributed pro rata to contributors, etc.

Section 37-47: Miscellaneous technical conforming verbiage, etc. Most of bill becomes operative January 1, 2008. Bill contains an emergency clause to allow the Government Standards and Practices Commission and other entities to prepare to implement the new law on January 1, 2008.