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Oregon House Increases Transparency in Politicians' Finances

HB 2038 closes a longstanding loophole that allowed some politicians to shield the sources of their income from public disclosure

SALEM, Ore. - With a strong bipartisan vote, the Oregon House today passed a bill that will give the public a much better look into whether politicians are receiving personal income from lobbying interests.

Oregon law requires most public officials—including legislators—to file annual Statements of Economic Interest (SEIs) with the Oregon Government Ethics Commission, detailing income they receive from entities that have a legislative or governmental interest. The goal is to ensure there is transparency if a public official is making decisions that could benefit an entity that they have financial connections to.

However, a longstanding loophole allows public officials to shield those sources of income if they come through a company they own, like an LLC. Currently, the SEI forms only list the income from the LLC, not the original source of the income, even if the money is coming from a source that has a lobbying interest in front of the public official.

House Bill 2038 closes this loophole. Under this bill, if a public official owns a business, they must list the sources of income into that business if:

- The source has a legislative or governmental interest, and
- The revenue equals 10 percent or more of the business's income

The provisions under HB 2038 also apply to any businesses owned by a member of the public official's household.

“Oregonians have a right to know if lobbyists and special interests are lining the pockets of public officials, including legislators,” says **House Majority Leader Julie Fahey (D-West Eugene & Veneta)**. “We have a lot of work to do to rebuild the public’s trust in government, including better transparency and effective accountability. HB 2038 is a step

in the direction of more sunlight, and I was pleased to see it pass.”

HB 2038 passed the Oregon House by a vote of 50-6 and will now head to the Senate, where it will only be taken up if Senate Republicans return to the Senate Floor to finish the work of the legislative session.

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