Background Brief on …

Government Ethics Law

Prepared by: Sandy Thiele-Cirka

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Inside this Brief

Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

In 1974, voters approved Measure 14 establishing statutes relating to Public Officials' Financial Ethics and Reporting. In 2007, the Legislative Assembly passed Senate Bill 10 and House Bill 2595 that significantly revised Oregon's government ethics laws. The ethics law provisions in ORS chapter 244 and related statutes generally prohibit the use of public office for financial gain, require disclosure of economic interests and conflicts of interest, and provide sanctions and procedures for enforcement of violations.

Senate Bill 10 and House Bill 2595 (2007)

The measures change the name of the Government Standards and Practices Commission to the Oregon Government Ethics Commission. The commission provides advisory opinions, staff opinions, and staff advice to provide greater immunity or mitigation from sanctions. Additionally, the bills set timelines for the commission and staff to issue their opinions.

Major changes to Oregon's ethics laws made by Senate Bill 10 and House Bill 2595 are outlined below.

Use of Office for Financial Gain

Public officials are generally prohibited from using their public office for personal, financial gain. The new laws expand the application of this requirement to include members of a public official's household. The law also clarifies that gifts otherwise allowed by law, gifts from persons without a legislative or administrative interest, items that are expressly excluded from the definition of "gift" in ORS 244.020, and contributions to a legal expense trust fund are not considered financial gain.

Reporting

Public Officials and Certain Candidates - The new laws modify the contents of the annual statement of economic interest **(SEI)** that identified public officials must file. Public officials required to file the annual SEI must also file a new quarterly report. The quarterly report must indicate expenses that exceed $50 for conventions, missions, trips, or other meetings paid for by tribes, governments, or certain non-profit organizations; expenses that exceed $50 for officially sanctioned fact-finding missions or economic development activities paid for by third parties; honoraria that exceed $15; and certain income that exceeds $1000.

Lobbyists - Lobbyist reporting has also been affected by Senate Bill 10. The annual expenditure report has been replaced by a quarterly report. Also, both the lobbyist and the individual or organization employing the lobbyist must file a quarterly report. Reports must include all moneys expended for food, refreshment, and entertainment and an itemized list of expenditures made on behalf of a legislative or executive official of greater than $50 on a single occasion. Penalties for late filing by lobbyists and public officials are $10 per day for the first 14 days and $50 per day thereafter to a maximum of $5,000.

Gifts

The term “gift” is defined broadly as anything of economic value that is given to a public official, a relative, or member of the public official’s household that is not equally extended to non-public officials. Although there are a number of exemptions to this definition, public officials are limited to receiving a total amount of $50 per year from a single source with a legislative or administrative interest. Under Senate Bill 10, public officials may no longer accept unlimited food, travel, or lodging expenses unless the expenses fit into a specific exemption to the definition of “gift.” These limits also apply to the public official’s relatives and members of the official’s household.

Gifts of entertainment from persons with a legislative or administrative interest are generally prohibited for a public official, a relative, or member of the official’s household unless the entertainment is “incidental” to an event or is “ceremonial.” Previously there was a $100 per event allowance, up to a $250 maximum annual amount.

Honoraria

Under the new law, a public official or a member of the public official’s household is limited to receiving a maximum of $50 in honoraria that is received in connection with the official duties of the public official.

Nepotism

A public body can hire the relative of a public official, but a public official may not be involved in the hiring process unless the official follows conflict of interest rules. A public official may not directly supervise a relative unless the public body authorizes the supervision. There are exceptions for personal legislative staff and unpaid volunteers.

Contracts and Subsequent Employment

Public officials may not have a direct beneficial financial interest in a contract that the person “authorized” as a public official for two years after they cease to hold that official position. Additionally, former legislators are prohibited from becoming a paid lobbyist until the end of the next regular session after their departure from the Legislative Assembly.

Penalties and Letters of Reprimand

Senate Bill 10 increases the civil penalty to not more than $5000 for violation. In addition to the commission finding a violation, it may issue a letter of reprimand, explanation, or education.

Legal Expense Trust Fund

Senate Bill 10 authorized the commission to establish a legal expense trust fund for public officials, upon application. The fund may be used to defray legal expenses incurred by a public official in any civil, criminal, or other legal proceeding or investigation that relates to the course and scope of duties of public office, for issuance of a protective stalking order, or to defend the public official in a proceeding or investigation by a public body.

Staff and Agency Contacts

Ron A. Bersin
Oregon Government Ethics Commission
Executive Director
503-378-5105

Gina Zejdlik
Legislative Counsel
503-986-1243

Sandy Thiele-Cirka
Legislative Committee Services
503-986-1286