



September 2012

Inside this Brief

- **Oregon Ethics Reform Act (OERA)**
- **Use of Office for Financial Gain**
- **Reporting**
- **Gifts**
- **Honoraria**
- **Nepotism**
- **Contracts and Subsequent Employment**
- **Penalties and Letters of Reprimand**
- **Legal Expense Trust Fund**
- **Staff and Agency Contacts**

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

Background Brief on ...

Government Ethics Law

In 1974, voters approved Measure 14 establishing statutes relating to Public Officials' Financial Ethics and Reporting. The 2007 Legislative Assembly passed ethics reform known as the Oregon Ethics Reform Act (**OERA**). The measures, Senate Bill 10 and House Bill 2595 (2007), 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. In 2009, the Legislative Assembly further refined OERA with the passage of Senate Bill 30.

Oregon Ethics Reform Act (OERA)

In 2007, the name of the Government Standards and Practices Commission was changed to the Oregon Government Ethics Commission (Commission). The Commission provides advisory opinions, staff opinions, and staff advice to provide greater immunity or mitigation from sanctions. Additionally, Senate Bill 10 set timelines for the Commission and staff to issue their opinions.

Major changes to Oregon's ethics laws made by OERA in 2007 and 2009 are outlined below.

Use of Office for Financial Gain

Public officials are generally prohibited from using their public office for personal, financial gain. OERA expanded the application of this requirement to include relatives and 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 - OERA modified the contents of the annual statement of economic interest (**SEI**) and expanded the number of public officials required to file SEI statements. Public officials required to file the annual SEI 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 sources of income that produce 10 percent or more of household income.

Lobbyists - Lobbyist reporting has also been affected by OERA. 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. These limits also apply to the public official’s relatives and members of the official’s household.

The gift limits do not apply to gifts from private employment or volunteer work of the public official or relative, when given as part of the usual and customary practice, and bearing no relationship to the official’s holding of public

office.

Public officials may not accept unlimited food, travel, or lodging expenses unless the expenses fit into a specific exemption to the definition of “gift.” A public official or a relative, member of the public official’s household or staff member accompanying the public official, may accept reasonable food, travel or lodging expenses when the public official is representing state government, a local government, or a special government body.

Gifts of entertainment from persons with a legislative or administrative interest in a public official, a relative, or member of the official’s household are subject to the \$50 gift limit per year, unless the entertainment is “incidental” to an event or is “ceremonial.”

Honoraria

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 the date the contract was authorized. 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
OERA increases the civil penalty to not more

than \$5,000 for a violation. In addition to the Commission finding a violation, it may issue a letter of reprimand, explanation, or require participation in a training session or workshop.

Legal Expense Trust Fund

The Commission is authorized 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

Erin Seiler

[Legislative Committee Services](#)

503-986-1647

Ron A. Bersin

[Oregon Government Ethics Commission](#)

Executive Director

503-378-5105

Gina Zejdlik

[Legislative Counsel](#)

503-986-1243

Committee Services provides centralized, non-partisan research and issue analysis for the Legislative Branch. Committee Services does not provide legal advice. Background Briefs are intended to give the reader a general understanding of a subject, and are based on information which is current as of the date of publication. Legislative, executive, and judicial actions subsequent to publication may affect the timeliness of the information.