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Senate votes to prohibit campaign financed hush money agreements

SB 478: Nondisclosure agreements null and void if campaign money is attached

SALEM – The Oregon State Senate supports banning the use of political contributions and third-party funds to make payments connected to nondisclosure agreements.

[Senate Bill 478](#) – which passed the Senate with a 29-0 vote today – prohibits candidates, political committees of campaigns, public office holders, chief petitioners or petition committee treasurers from using campaign or public money to buy the silence of victims of misconduct. The bill also bans using money from any third party to make such payments if the workplace harassment covered by the nondisclosure agreement occurred when the official or candidate was acting as a public official or candidate for public office. Sen. Sara Gelser (D-Corvallis) and Sen. Tim Knopp (R-Bend) co-carried the bill on the Senate floor.

“Candidates and public officials should be held to high standards of ethics and personal conduct,” said Gelser, chief sponsor of the bill. “It is inappropriate for these individuals to use public or campaign funds to finance hush money agreements that buy the silence of those who have information that might hurt a person’s campaign or reputation.”

Oregon law is currently silent about whether campaign or public funds can be used to make payments connected to nondisclosure agreements related to workplace discrimination and harassment. The bill clarifies this and makes it clear that cash is not the only form of consideration that is used to silence people with information. The bill also prohibits the use of promises of future employment, preferred work schedules or locations, bonuses and transfer of

assets or stock to coerce the silence of others. The bill also prohibits the use of severance payments or bonuses that are conditioned upon an employee's promise of silence and waiver of future claims against the official or public body.

"If there's one practice in politics that turns people's stomachs more than anything else, it might be the use of campaign or public money to hush-up victims of abuse and harassment," Sen. Jeff Golden (D-Ashland) said. "If we're serious about rebuilding public trust in government, we have to make sure that doesn't happen."

The Secretary of State enforces many election laws relating to the action of political and petition committees, and the Oregon Government Ethics Commission enforces ethics laws applying to public officials and lobbying disclosures. Senate Bill 478 authorizes the Secretary of State's Office or the Government Ethics Commission – depending on who has jurisdiction – to impose civil penalties of two times the amount of the contractual penalty contained in the nondisclosure agreement, when there are violations of this law. The bill also renders any hush money agreement regarding a candidate or public official void if it is financed with public or campaign funds.

"The public deserves to know the truth about those seeking and serving in public office as it relates to harassment and discrimination," Gelser said. "Hush money has no place in Oregon politics, and I am proud we are taking this step to ensure our law reflects that."

Senate Bill 478 now goes to the House of Representatives for consideration.

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