# Senate Bill 972

Sponsored by Senator L GEORGE

#### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.** 

Creates Oregon Government Ethics Enforcement Commission. Specifies membership. Revises government ethics laws. Transfers regulation of attorneys from Oregon State Bar to commission. Requires attorney to obtain license from commission. Prohibits requirement of membership in bar association as condition of practicing law.

Modifies definition of gift. Prohibits public officials from receiving in calendar year gifts with value exceeding \$20 from any person.

Prohibits public official from receiving honoraria.

Prohibits public official from lobbying or becoming employee of certain entities for period after ceasing to be public official.

Requires all public officials to file statement of economic interest.

Requires all public officials who receive gifts to report gift to commission within 15 days of receiving gift. Requires all persons offering gifts to public officials to report offer of gift to commission within 15 days of offering gift.

Directs commission to adopt rules setting fees to be paid by all public officials. Dedicates moneys from fees to costs of administering commission.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to government ethics; creating new provisions; amending ORS 9.160, 171.745, 171.750,

- 244.010, 244.020, 244.030, 244.040, 244.045, 244.050, 244.055, 244.060, 244.070, 244.080, 244.090,
- 4 244.100, 244.115, 244.250, 244.260, 244.280, 244.290, 244.310, 244.320, 244.345, 244.350, 351.067,
- 5 353.270 and 461.410; and declaring an emergency.

6 Be It Enacted by the People of the State of Oregon:

7 **SECTION 1.** ORS 244.010 is amended to read:

8 244.010. (1) This chapter may be cited as the Oregon Governmental Reform of Ethics Act.

9 The people of the state of Oregon hereby demand that public officials of this state conduct 10 themselves with the highest ethical and moral standards.

11 [(1)] (2) The Legislative Assembly hereby declares that a public office is a public trust, and that 12 as one safeguard for that trust, the people require all public officials to adhere to the code of ethics 13 set forth in ORS 244.040.

[(2)] (3) The Legislative Assembly recognizes that it is the policy of the state to have serving on many state and local boards and commissions state and local officials who may have potentially conflicting public responsibilities by virtue of their positions as public officials and also as members of the boards and commissions, and declares it to be the policy of the state that the holding of such offices does not constitute the holding of incompatible offices unless expressly stated in the enabling legislation.

(4) The Legislative Assembly declares that public officials must be held to the highest
 ethical standards, consistent with the expectations of the people of this state. To achieve this
 result, this chapter shall be interpreted and applied in favor of promoting and enforcing the
 ethical conduct of all public officials.

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1 (5) The people of this state expect public officials and public officers of the court to rec-2 ognize that being a public official or a public officer of the court is an honor and a privilege. 3 The people of this state expect public officials and public officers of the court to conduct 4 themselves in the most professional and honorable manner possible so as to avoid bringing 5 dishonor or other negative attention to the office of a public official or public officer of the

6 court.

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SECTION 2. ORS 244.020 is amended to read:

244.020. As used in this chapter, unless the context requires otherwise:

9 (1) "Actual conflict of interest" means any action or any decision or recommendation by a per-10 son acting in a capacity as a public official, the effect of which would be to the private pecuniary 11 benefit or detriment of the person or the person's relative or any business with which the person 12 or a relative of the person is associated unless the pecuniary benefit or detriment arises out of cir-13 cumstances described in subsection (14) of this section.

(2) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual and any other legal entity operated for economic gain but excluding any income-producing not-for-profit corporation that is tax exempt under section 501(c) of the Internal Revenue Code with which a public official or a relative of the public official is associated only as a member or board director or in a nonremunerative capacity.

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(3) "Business with which the person is associated" means:

(a) Any private business or closely held corporation of which the person or the person's relative
is a director, officer, owner or employee, or agent or any private business or closely held corporation in which the person or the person's relative owns or has owned stock, another form of equity
interest, stock options or debt instruments worth \$1,000 or more at any point in the preceding calendar year;

(b) Any publicly held corporation in which the person or the person's relative owns or has owned \$100,000 or more in stock or another form of equity interest, stock options or debt instruments at any point in the preceding calendar year;

(c) Any publicly held corporation of which the person or the person's relative is a director orofficer; or

(d) For public officials required to file a statement of economic interest under ORS 244.050, any
business from which 50 percent or more of the total annual income of the person and members of
the person's household is derived during the current calendar year.

(4) "Commission" means the Oregon Government [Standards and Practices] Ethics Enforce ment Commission.

(5) "Development commission" means any entity which has the authority to purchase, develop,
 improve or lease land or the authority to operate or direct the use of land. This authority must be
 more than ministerial.

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(6) "Expenditure" has the meaning given that term in ORS 260.005.

(7)(a) "Gift" means something of economic value given to a public official or the public official's relative without valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or the relatives of public officials on the same terms and conditions; and something of economic value given to a public official or the public official's relative for valuable consideration less than that required from others who are not public officials. [However,]

45 **(b)** "Gift" does not mean:

(A) Contributions as defined in ORS 260.005. 1

2 (B) Gifts from family members.

[(a) Campaign contributions, as described in ORS chapter 260.] 3

[(b) Gifts from family members.] 4

[(c) The giving or receiving of food, lodging and travel when participating in an event which bears 5

a relationship to the public official's office and when appearing in an official capacity, subject to the 6 reporting requirement of ORS 244.060 (6).] 7

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[(d) The giving or receiving of food or beverage if the food or beverage is consumed by the public 9 official or the public official's relatives in the presence of the purchaser or provider thereof.]

[(e) The giving or receiving of entertainment if the entertainment is experienced by the public offi-10 cial or the public official's relatives in the presence of the purchaser or provider thereof and the value 11 12 of the entertainment does not exceed \$100 per person on a single occasion and is not greater than \$250 13 in any one calendar year.]

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# (C) Printed material otherwise available to the public.

(D) Any item with a face value of less than \$2.

(8) "Honoraria" means a payment or something of economic value given to a public official in 16 17 exchange for services upon which custom or propriety prevents the setting of a price. Services in-18 clude, but are not limited to, speeches or other services rendered in connection with an event at which the public official appears in an official capacity. 19

(9) "Income" means income of any nature derived from any source, including, but not limited to, 20any salary, wage, advance, payment, dividend, interest, rent, honoraria, return of capital, forgiveness 2122of indebtedness, or anything of economic value.

23(10) "Legislative or administrative interest" means an economic interest, distinct from that of the general public, in one or more bills, resolutions, regulations, proposals or other matters subject 24 to the action or vote of a person acting in the capacity of a public official. 25

(11) "Legislative official" means any member or member-elect of the Legislative Assembly, any 2627member of an agency, board or committee that is part of the legislative branch and any staff person, assistant or employee thereof. 28

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(12) "Member of household" means any relative who resides with the public official.

30 (13) "Planning commission" means a county planning commission created under ORS chapter 215 31 or a city planning commission created under ORS chapter 227.

(14) "Potential conflict of interest" means any action or any decision or recommendation by a 32person acting in a capacity as a public official, the effect of which could be to the private pecuniary 33 34 benefit or detriment of the person or the person's relative, or a business with which the person or 35the person's relative is associated, unless the pecuniary benefit or detriment arises out of the fol-36 lowing:

37 (a) An interest or membership in a particular business, industry, occupation or other class re-38 quired by law as a prerequisite to the holding by the person of the office or position.

(b) Any action in the person's official capacity which would affect to the same degree a class 39 consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or 40 other group including one of which or in which the person, or the person's relative or business with 41 which the person or the person's relative is associated, is a member or is engaged. The commission 42 may by rule limit the minimum size of or otherwise establish criteria for or identify the smaller 43 classes that qualify under this exception. 44

(c) Membership in or membership on the board of directors of a nonprofit corporation that is 45

1 tax-exempt under section 501(c) of the Internal Revenue Code.

2 (15) "Public official" means any person who, when an alleged violation of this chapter occurs,

holds a public office as defined in ORS 260.005, is a candidate for public office or is serving the
 State of Oregon or any of its political subdivisions or any other public body of the state as an offi-

5 cer, employee, agent or otherwise, [and] irrespective of whether the person is compensated for such 6 services.

7 (16) "Relative" means the spouse of the public official, any children of the public official or of 8 the public official's spouse, and brothers, sisters or parents of the public official or of the public 9 official's spouse.

10 (17) "Statement of economic interest" means a statement as described by ORS 244.060 to 244.080.

11 [(18) "Statewide official" means the Secretary of State or Secretary of State-elect, State Treasurer 12 or State Treasurer-elect, Superintendent of Public Instruction or Superintendent-elect of Public In-13 struction, Attorney General or Attorney General-elect and the Commissioner of the Bureau of Labor 14 and Industries or the Commissioner-elect of the Bureau of Labor and Industries.]

15 [(19)] (18) "Zoning commission" means an entity to which is delegated at least some of the dis-16 cretionary authority of a planning commission or governing body relating to zoning and land use 17 matters.

(19) "Public officer of the court" means any person licensed to practice law in the state
 of Oregon, regardless of whether the person's license is active or inactive.

(20) "Office of public trust" means a public office as defined in ORS 260.005, an employment position serving the State of Oregon or any of its political subdivisions or any other position with any public body as defined in ORS 174.109 as an officer, employee, agent or otherwise, irrespective of whether the person is compensated for such services.

24 SECTION 3. ORS 244.030 is amended to read:

25 244.030. Nothing in this chapter is intended to affect:

(1) Any other statute requiring disclosure of economic interest by any public official, public
 officer of the court or public employee.

(2) Any statute prohibiting or authorizing specific conduct on the part of any public official,
 public officer of the court or public employee.

30 **SECTION 4.** ORS 244.040 is amended to read:

244.040. [The following actions are prohibited regardless of whether actual conflicts of interest or
 potential conflicts of interest are announced or disclosed pursuant to ORS 244.120:]

(1)(a) [No] A public official [shall] may not use or attempt to use official position or office to obtain financial gain or avoidance of financial detriment that would not otherwise be available but for the public official's holding of the official position or office, other than official salary, [honoraria, except as prohibited in paragraphs (b) and (c) of this subsection,] reimbursement of expenses or an unsolicited award for professional achievement for the public official or the public official is associated.

(b) [No statewide] A public official [shall] may not solicit or receive, whether directly or indirectly, honoraria for the [statewide] public official or for any member of the household of the public
official. [No candidate for statewide office shall solicit or receive, whether directly or indirectly,
honoraria for the candidate or for any member of the household of the candidate.]

43 [(c) No legislative official shall solicit or receive, whether directly or indirectly, honoraria in an 44 amount in excess of \$1,500 or in any amount for an appearance within the state or for an appearance 45 during a legislative session, regardless of location, for the legislative official or for any member of the

household of the official, except that a legislative official may solicit or receive honoraria for services

2 performed in relation to the private profession or occupation of the legislative official. No candidate

3 for legislative office shall solicit or receive, whether directly or indirectly, honoraria in an amount in

4 excess of \$1,500 or in any amount for an appearance within the state for the candidate or for any

5 member of the household of the candidate, except that a candidate for legislative office may solicit or

receive honoraria for services performed in relation to the private profession or occupation of the legislative official.]

8 [(d) Any public official not described in paragraph (b) or (c) of this subsection or a member of the 9 public official's household may receive honoraria.]

10 (2) [No] A public official [or candidate for office] or a relative of the public official [or candidate 11 shall] may not solicit or receive, whether directly or indirectly, during any calendar year, any gift 12 or gifts with an aggregate value in excess of [\$100] **\$20** from any single source [who could reasonably 13 be known to have a legislative or administrative interest in any governmental agency in which the of-14 ficial has or the candidate if elected would have any official position or over which the official exercises 15 or the candidate if elected would exercise any authority].

(3) [No] A public official [shall] may not solicit or receive, either directly or indirectly, and [no person shall] a person may not offer or give to any public official any pledge or promise of future employment, based on any understanding that such public official's vote, official action or judgment would be influenced thereby.

(4) [No] A public official [shall] or public officer of the court may not attempt to further or
further the personal gain of the public official or public officer through the use of confidential information gained in the course of or by reason of the official position or activities of the public official or public officer in any way.

(5) [No] A person [shall] may not offer during any calendar year any gifts with an aggregate value in excess of [\$100] **\$20** to any public official [or candidate therefor] or a relative of the public official [or candidate if the person has a legislative or administrative interest in a governmental agency in which the official has or the candidate if elected would have any official position or over which the official exercises or the candidate if elected would exercise any authority].

(6) [No person shall] A person may not attempt to represent or represent a client for a fee
before the governing body of a public body of which the person is a member. This subsection does
not apply to the person's employer, business partner or other associate.

(7) A public official shall provide competent service to the constituents of the public of ficial and to the people of the State of Oregon.

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(8) A public official may not neglect any matter entrusted to the public official.

(9) A public official may not knowingly assert a position to delay official action, unless
 the public official acts in good faith and the basis for the assertion is not frivolous.

(10) A public official may not knowingly make a false statement, fail to correct a false statement or conceal or fail to disclose the occurrence of a false statement or failure to correct a false statement. A public official may not engage in unethical conduct or conduct contrary to the laws of this state.

(11) A public official or public officer of the court shall immediately notify the Oregon
 Government Ethics Enforcement Commission when the public official or public officer knows
 of a violation of this section by any other public official or public officer of the court.

44 (12) A public official or public officer of the court may not knowingly disobey or willfully
 45 disregard an obligation imposed by the laws of this state.

(13) The provisions of this section apply regardless of whether actual conflicts of interest 1 2 or potential conflicts of interest are announced or disclosed under ORS 244.120. 3 (14) This section shall be known as the Oregon Public Official Code of Ethics. SECTION 5. ORS 244.045 is amended to read: 4 244.045. [(1) A person who has been a Public Utility Commissioner, the Director of the Department 5 of Consumer and Business Services, the Administrator of the Division of Finance and Corporate Se-6 curities, the Administrator of the Insurance Division, the Administrator of the Oregon Liquor Control 7 Commission or the Director of the Oregon State Lottery shall not:] 8 9 (1) Except as provided in subsections (2) to (5) of this section, a public official may not: (a) [Within one year after the public official ceases to hold the position] Become an employee of 10 or receive any financial gain, other than reimbursement of expenses, from any private employer 11 12 engaged in the activity, occupation or industry over which the former public official had authority within one year after the public official ceases to hold the office of public trust; or 13 (b) Within two years after the public official ceases to hold the [position] office of public 14 15 trust: 16 (A) Be a lobbyist for or appear as a representative before the agency over which the person exercised authority as a public official; 17 18 (B) Influence or try to influence the actions of the agency; or 19 (C) Disclose any confidential information gained as a public official. (2) A person who has been the Attorney General, a Deputy Attorney General or an assistant 20attorney general [shall] may not, within two years after the person ceases to hold the position, 2122lobby or appear before an agency that the person represented while employed by the Department 23of Justice. (3) A person who has been the State Treasurer, [or] the Chief Deputy State Treasurer [shall] 94 or an employee of the office of the State Treasurer may not, within one year after ceasing to 25hold office: 2627(a) Accept employment from or be retained by any private entity with whom the office of the State Treasurer or the Oregon Investment Council negotiated or to whom either awarded a contract 28providing for payment by the state [of at least \$25,000] in any single year during the term of office 2930 of the treasurer; 31 (b) Accept employment from or be retained by any private entity with whom the office of the 32State Treasurer or the Oregon Investment Council placed [at least \$50,000 of] any investment moneys in any single year during the term of office of the treasurer; or 33 34 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the of-35fice of the State Treasurer or Oregon Investment Council as a representative of an investment in-36 stitution, manager or consultant. 37 (4) A public official who as part of the official's duties invested public funds [shall] may not 38 within two years after the public official ceases to hold the position: (a) Be a lobbyist or appear as a representative before the agency, board or commission for which 39 the former public official invested public funds; 40 (b) Influence or try to influence the agency, board or commission; or 41 (c) Disclose any confidential information gained as a public official. 42 (5)(a) A person who has been a member of the Department of State Police, who has held a po-43 sition with the department with the responsibility for supervising, directing or administering pro-44 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been 45

designated by the Superintendent of State Police by rule [shall] may not, within one year after the
member of the Department of State Police ceases to hold the position:
(A) Accept employment from or be retained by or receive any financial gain related to gaming
from the Oregon State Lottery or any Native American tribe;
(B) Accept employment from or be retained by or receive any financial gain from any private

5 (B) Accept employment from or be retained by or receive any financial gain from any private 6 employer selling or offering to sell gaming products or services;

7 (C) Influence or try to influence the actions of the Department of State Police; or

8 (D) Disclose any confidential information gained as a member of the Department of State Police.

9 (b) This subsection does not apply to:

(A) Appointment or employment of a person as an Oregon State Lottery Commissioner or as a
 Tribal Gaming Commissioner or regulatory agent thereof;

12 (B) Contracting with the Oregon State Lottery as a lottery game retailer;

13 (C) Financial gain received from personal gaming activities conducted as a private citizen; or

14 (D) Subsequent employment in any capacity by the Department of State Police.

(c) As used in this subsection, "Native American tribe" means any recognized Native American
tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public
Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

18 SECTION 6. ORS 244.050 is amended to read:

244.050. (1) On or before April 15 of each year [the following persons] every public official and
 public officer of the court shall file with the Oregon Government [Standards and Practices] Ethics
 Enforcement Commission a verified statement of economic interest as required under this
 chapter[:].

[(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
 Bureau of Labor and Industries, Superintendent of Public Instruction, district attorneys and members
 of the Legislative Assembly.]

[(b) Any judicial officer, including justices of the peace and municipal judges, except municipal judges in those cities where a majority of the votes cast in the subject city in the 1974 general election was in opposition to the ballot measure provided for in section 10, chapter 68, Oregon Laws 1974 (special session), and except any pro tem judicial officer who does not otherwise serve as a judicial officer.]

31 [(c) Any candidate for an office designated in paragraph (a) or (b) of this subsection.]

32 [(d) The Deputy Attorney General.]

[(e) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Sec retary of the Senate and the Chief Clerk of the House of Representatives.]

[(f) The Chancellor and Vice Chancellors of the Oregon University System and the president and
 vice presidents, or their administrative equivalents, in each institution under the jurisdiction of the
 State Board of Higher Education.]

- 38 [(g) The following state officers:]
- 39 [(A) Adjutant General.]
- 40 [(B) Director of Agriculture.]
- 41 [(C) Manager of State Accident Insurance Fund Corporation.]
- 42 [(D) Water Resources Director.]
- 43 [(E) Director of Department of Environmental Quality.]
- 44 [(F) Director of Oregon Department of Administrative Services.]
- 45 [(G) State Fish and Wildlife Director.]

1	[(H) State Forester.]
<b>2</b>	[(I) State Geologist.]
3	[(J) Director of Human Services.]
4	[(K) Director of the Department of Consumer and Business Services.]
5	[(L) Director of the Department of State Lands.]
6	[(M) State Librarian.]
7	[(N) Administrator of Oregon Liquor Control Commission.]
8	[(O) Superintendent of State Police.]
9	[(P) Director of the Public Employees Retirement System.]
10	[(Q) Director of Department of Revenue.]
11	[(R) Director of Transportation.]
12	[(S) Public Utility Commissioner.]
13	[(T) Director of Veterans' Affairs.]
14	[(U) Executive Director of Oregon Government Standards and Practices Commission.]
15	[(V) Director of the State Department of Energy.]
16	[(W) Director and each assistant director of the Oregon State Lottery.]
17	[(h) Any assistant in the Governor's office other than personal secretaries and clerical personnel.]
18	[(i) Every elected city or county official except elected officials in those cities or counties where a
19	majority of votes cast in the subject city or county in any election on the issue of filing statements of
20	economic interest under this chapter was in opposition.]
21	[(j) Every member of a city or county planning, zoning or development commission except such
22	members in those cities or counties where a majority of votes cast in the subject city or county at any
23	election on the issue of filing statements of economic interest under this chapter was in opposition to
24	the ballot measure provided for in section 10, chapter 68, Oregon Laws 1974 (special session).]
25	[(k) The chief executive officer of a city or county who performs the duties of manager or principal
26	administrator of the city or county except such employees in those cities or counties where a majority
27	of votes cast in the subject city or county in an election on the issue of filing statements of economic
28	interest under this chapter was in opposition.]
29	[(L) Members of local government boundary commissions formed under ORS 199.410 to 199.519.]
30	[(m) Every member of a governing body of a metropolitan service district and the executive officer
31	thereof.]
32	[(n) Each member of the board of directors of the State Accident Insurance Fund Corporation.]
33	[(o) The chief administrative officer and the financial officer of each common and union high school
34	district, education service district and community college district.]
35	[(p) Every member of the following state boards and commissions:]
36	[(A) Board of Geologic and Mineral Industries.]
37	[(B) Oregon Economic and Community Development Commission.]
38	[(C) State Board of Education.]
39	[(D) Environmental Quality Commission.]
40	[(E) Fish and Wildlife Commission of the State of Oregon.]
41	[(F) State Board of Forestry.]
42	[(G) Oregon Government Standards and Practices Commission.]
43	[(H) Oregon Health Policy Commission.]
44	[(I) State Board of Higher Education.]
45	[(J) Oregon Investment Council.]

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1	[(K) Land Conservation and Development Commission.]
<b>2</b>	[(L) Oregon Liquor Control Commission.]
3	[(M) Oregon Short Term Fund Board.]
4	[(N) State Marine Board.]
5	[(O) Mass transit district boards.]
6	[(P) Energy Facility Siting Council.]
7	[(Q) Board of Commissioners of the Port of Portland.]
8	[(R) Employment Relations Board.]
9	[(S) Public Employees Retirement Board.]
10	[(T) Oregon Racing Commission.]
11	[(U) Oregon Transportation Commission.]
12	[(V) Wage and Hour Commission.]
13	[(W) Water Resources Commission.]
14	[(X) Workers' Compensation Board.]
15	[(Y) Oregon Facilities Authority.]
16	[(Z) Oregon State Lottery Commission.]
17	[(AA) Pacific Northwest Electric Power and Conservation Planning Council.]
18	[(BB) Columbia River Gorge Commission.]
19	[(CC) Oregon Health and Science University Board of Directors.]
20	[(q) The following officers of the State Treasury:]
21	[(A) Chief Deputy State Treasurer.]
22	[(B) Executive Assistant to the State Treasurer.]
23	[(C) Director of the Investment Division.]
24	[(r) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
25	and 777.915 to 777.953.]
26	[(2) By April 15 next after the date an appointment takes effect, every appointed public official on
27	a board or commission listed in subsection (1) of this section shall file with the commission a statement
28	of economic interest as required under ORS 244.060, 244.070 and 244.090.]
29	[(3)] (2) By April 15 next after the filing deadline for the primary election, each candidate for
30	elective public office [described in subsection (1) of this section] as defined in ORS 260.005 shall file
31	with the commission a statement of economic interest as required under [ORS 244.060, 244.070 and
32	244.090] this chapter.
33	[(4)] (3) Within 30 days after the filing deadline for the general election, each candidate for
34	elective public office [described in subsection (1) of this section] as defined in ORS 260.005 who was
35	not a candidate in the preceding primary election, or who was nominated for elective public office
36	[described in subsection (1) of this section] at the preceding primary election by write-in votes, shall
37	file with the commission a statement of economic interest as required under [ORS 244.060, 244.070
38	and 244.090] this chapter.
39	[(5)] (4) The Legislative Assembly shall maintain a continuing review of the operation of this
40	chapter.
41	[(6)] (5) Subsections (1) to $[(5)]$ (3) of this section apply only to persons who are incumbent,
42	elected or appointed officials as of April 15 and to persons who are candidates for office on April
43	15. Those [sections] subsections also apply to persons who do not become candidates until 30 days
44	after the filing deadline for the statewide general election.
45	[(7)(a)] (6)(a) Failure to file the statement required by this section subjects a person to a civil

1 penalty that may be imposed as specified in ORS 183.745, but the enforcement of this subsection does

2 not require the [Oregon Government Standards and Practices] commission to follow the procedures

3 in ORS 244.260 before finding that a violation of this section has occurred.

4 (b) Failure to file the required statement in timely fashion shall be prima facie evidence of a 5 violation of this section.

(c) If within *[five days]* one day after the date on which the statement is to be filed under this 6 section the statement has not been received by the commission, the commission shall notify the 7 public official or public officer of the court and give the public official or public officer not 8 9 [less] more than 15 days to comply with the requirements of this section. If the public official or **public officer** fails to comply by the date set by the commission, the commission [may] **shall** impose 10 a civil penalty of [\$5] \$50 for each day the statement is late beyond the original date [fixed by the 11 12 commission] the statement was due. The maximum penalty that may be accrued under this section 13 is [*\$1,000*] **\$10,000**.

(d) A civil penalty imposed under this subsection is in addition to and not in lieu of sanctions
 that may be imposed under ORS 244.380.

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**SECTION 7.** ORS 244.055 is amended to read:

17 244.055. (1) In addition to the statement required by ORS 244.050, the State Treasurer, the Chief 18 **Deputy State Treasurer, the Executive Assistant to the State Treasurer, the Director of the** 19 **Investment Division** and any person listed under [*ORS 244.050 (1)(q) and*] this subsection shall file 20 quarterly at a time fixed by the State Treasurer a trading statement listing all stocks, bonds and 21 other types of securities purchased or sold during the preceding quarter:

22 (a) Directors of the Cash Management Division and the Debt Management Division.

(b) Equities, fixed income, short term fund, real estate, equities real estate and commercial and
 mortgage real estate investment officers and assistant investment officers.

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(c) Fixed income and short term fund investment analysts.

(2) The statement required by subsection (1) of this section shall be filed for review with the
State Treasurer, the Attorney General and the Division of Audits of the office of the Secretary of
State. [*The content of the statement is confidential.*]

(3) If the State Treasurer or the Chief Deputy State Treasurer determines that a conflict of interest exists for an officer or employee, the State Treasurer shall subject the person to appropriate
discipline, including dismissal or termination of the contract, or both, pursuant to rule. If the State
Treasurer has cause to believe that a violation of this chapter has occurred, the State Treasurer
shall file a complaint with the Oregon Government [Standards and Practices] Ethics Enforcement
Commission under ORS 244.260.

(4) If the State Treasurer fails to act on an apparent conflict of interest under subsection (3) of this section or if the statement of the State Treasurer or the Chief Deputy State Treasurer appears to contain a conflict of interest, the Director of the Division of Audits shall report the failure or apparent conflict to the Attorney General, who may file a complaint with the commission.

(5) A person filing the statement required by subsection (1) of this section must verify that the
statement is complete and accurate. A person who intentionally fails to file a complete and accurate
statement commits a Class C felony and may also be subject to ORS 162.075.

42 **SECTION 8.** ORS 244.060 is amended to read:

244.060. The statement of economic interest filed under ORS 244.050, shall be on a form pre scribed by the Oregon Government [*Standards and Practices*] Ethics Enforcement Commission, and
 the person filing the statement shall supply the information required by this section and ORS

1 244.090, as follows:

2 (1) The name of all positions as officer of a business and business directorships held by the 3 person or a member of the household of the person during the preceding calendar year.

4 (2) All names under which the person and members of the household of the person do business.
5 (3) Sources of income received at any time during the preceding calendar year by the person
6 or a member of the household of the person that produce 10 percent or more of the total annual
7 household income.

8 (4) The name, principal address and brief description of the source of income from which 50 9 percent or more of the total annual income of the person and members of the household of the 10 person was received during the preceding calendar year and whether the source existed during the 11 preceding year, and whether the source is derived from an entity that now does business or could 12 reasonably be expected to do business or has legislative or administrative interest in the govern-13 mental agency of which the public official is or the candidate if elected would be a member or over 14 which the public official has or the candidate if elected would have authority.

(5)(a) The listing of all real property in which the public official or candidate therefor or a member of the household of the public official or candidate has or has had any personal, beneficial ownership interest during the preceding calendar year, any options to purchase or sell real property, including a land sales contract, and any other rights of any kind in real property located within the geographic boundaries of the governmental agency of which the public official is or the candidate if elected would be a member or over which the public official has or the candidate if elected would have authority.

(b) This subsection does not require the listing of the principal residence of the public officialor candidate.

[(6)(a) Notwithstanding ORS 244.020 (7)(c), if a public official has received food, lodging and payment of travel expenses exceeding \$100 when participating in an event which bears a relationship to the public official's office and when appearing in an official capacity, the name, nature and business address of the organization paying the expenses and the date and amount of that expenditure.]

[(b) Beginning on July 1, 1992, the dollar amount specified in paragraph (a) of this subsection shall be adjusted annually by the commission based upon the change in the Portland Consumer Price Index for All Urban Consumers for All Items as prepared by the Bureau of Labor Statistics of the United States Department of Labor or its successor during the preceding 12-month period. The amount determined under this paragraph shall be rounded to the nearest dollar.]

[(7) Any honoraria exceeding \$50 received during the preceding calendar year by the person or a
 member of the household of the person, the payer of the honoraria and the date and time of the event
 for which the honoraria was received.]

36 **SECTION 9.** ORS 244.070 is amended to read:

244.070. The following additional economic interest shall be reported for the preceding calendar year only if the source of that interest is derived from an individual or business which has been doing business, does business or could reasonably be expected to do business with or has legislative or administrative interest in the governmental agency of which the public official is or the candidate if elected would be a member or over which the public official has or the candidate if elected would have authority:

(1) Each source of income over \$1,000, other than a source of income disclosed under ORS
244.060, whether or not taxable, received by the public official [or candidate therefor] or a member
of the household of the public official [or candidate].

1 (2) Each person to whom the public official [or candidate therefor] or a member of the household 2 of the public official [or candidate] owes or has owed money in excess of \$1,000, the interest rate 3 thereon and the date of the loan, except for debts owed to any federal or state regulated financial 4 institution or retail contracts.

5 (3) Each business, principal address, and brief description of its nature, in which the public of-6 ficial [or candidate therefor] or a member of the household of the public official [or candidate] has 7 or has had a personal, beneficial interest or investment, including stocks or other securities, in ex-8 cess of \$1,000, except for individual items involved in a mutual fund or a blind trust, or a time or 9 demand deposit in a financial institution, shares in a credit union, or the cash surrender value of 10 life insurance.

(4) Each person for whom the public official [or candidate] has performed services for a fee in
 excess of \$1,000 except for any disclosure otherwise prohibited by law or by a professional code of
 ethics.

14

**SECTION 10.** ORS 244.080 is amended to read:

15 244.080. The Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commission 16 by rule may accept the filing of a form containing less than the information required under ORS 17 244.060 and 244.070 if the public official certifies thereon that the information contained on the form 18 previously filed is unchanged. If any portion of the information contained in the filing is changed, 19 the public official may certify only as to the changed material.

20 **SECTION 11.** ORS 244.090 is amended to read:

21 244.090. (1) Each public official of this state [or candidate] required to make a statement of 22 economic interest shall report by name any compensated lobbyist who, during the preceding calen-23 dar year, was associated with a business with which the public official [or candidate] or a member 24 of the household of the public official [or candidate] was also associated. Holding stock in a publicly 25 traded corporation in which the lobbyist also holds stock is not a relationship for which a statement 26 is required.

27 (2) As used in this section "lobbyist" has the meaning set forth in ORS 171.725.

28 SECTION 12. ORS 244.100 is amended to read:

29 244.100. [(1) The Oregon Government Standards and Practices Commission by rule may require the
 30 disclosure and reporting of gifts or other compensation made to or received by a public official or
 31 candidate for elective office.]

32 [(2) The commission by rule may exempt from the gift limitation contained in ORS 244.040, any 33 gift of food or beverage but may require that when gifts of food or beverage exceed a dollar amount 34 fixed by the commission, the source thereof shall be disclosed on a form prescribed by the 35 commission.]

[(3) In addition to any disclosures or reports required under subsections (1) and (2) of this section, any person or organization that provides a public official with food, lodging or travel expenses exceeding \$50, as described in ORS 244.060 (6), shall notify the public official in writing of the amount of the expense. The notice shall be sent to the public official within 10 days from the date such expenses are incurred.]

(1) Any public official who receives a gift must disclose to the Oregon Government Ethics
 Enforcement Commission the receipt of the gift within 15 business days after receiving the
 gift.

44 (2) The disclosure required by subsection (1) of this section shall be on a form prescribed
45 by the commission. The form shall require, at a minimum, the following information:

(a) The date the public official received the gift; 1 2 (b) The name of the person who offered the gift; (c) The estimated value of the gift; 3 (d) A brief description of the gift received sufficient to easily distinguish the gift from 4 any other gift received by the public official; and 5 (e) Whether the gift relates in any manner to the official duties of the public official. 6 (3) A person who offers a gift to a public official must disclose to the commission the 7 offer of the gift within 15 business days after offering the gift, whether or not the gift was 8 9 accepted by the public official. (4) The disclosure required by subsection (3) of this section shall be on a form prescribed 10 by the commission. The form shall require, at a minimum, the following information: 11 12(a) The date the gift was offered; (b) The name of the public official to whom the gift was offered; 13 (c) The estimated value of the gift; 14 15 (d) A brief description of the gift received sufficient to easily distinguish the gift from any other gift offered to the same public official; and 16 (e) Whether the gift relates in any manner to the official duties of the public official. 17 18 SECTION 13. ORS 244.115 is amended to read: 19 244.115. Each member of Congress from this state and each candidate for a seat in Congress from this state shall file with the Oregon Government [Standards and Practices] Ethics Enforce-20ment Commission a copy of the federal ethics filing required under federal law or by congressional 2122rule within 30 days after the filing date required under federal law or congressional rule. If the filing 23is not made in a timely manner, the commission shall obtain copies of the filing and indicate thereon that the filing was not made with the commission by the member of Congress or candidate. All such 94 filings are public records available for public inspection. 25SECTION 14. Section 15 of this 2007 Act is added to and made a part of ORS chapter 244. 2627SECTION 15. Notwithstanding any provision of ORS 9.005 to 9.755: (1) In order to legally practice law in this state, a person must: 28(a) Be licensed by the Supreme Court to practice law; and 2930 (b) Be registered and in good standing with the Oregon Government Ethics Enforcement 31 Commission. (2) The Supreme Court, the commission or any other public body as defined in ORS 32174.109 may not require any person to be a member of any bar association or other similar 33 34 association as a condition of practicing law in this state. (3) The Supreme Court may adopt rules of professional conduct that are not inconsistent 35with the rules of conduct stated in ORS 244.040. 36 37 (4) The commission shall enforce any rules of professional conduct adopted by the Supreme Court for public officers of the court. If the Supreme Court does not adopt rules of 38 professional conduct for public officers of the court, the provisions of ORS 244.040 govern the 39 conduct of public officers of the court. 40 SECTION 16. (1) On or after \_\_\_\_\_, public officers of the court are not required to be 41 members of the Oregon State Bar. 42 (2) Not later than \_\_\_\_\_, each person who is a public officer of the court on the effec-43

tive date of this 2007 Act shall register with the Oregon Government Ethics Enforcement
 Commission.

SECTION 17. ORS 9.160 is amended to read: 1 2 9.160. (1) Except as provided in this section, a person may not practice law or represent that person as gualified to practice law unless that person is [an active member of the Oregon State 3 Bar] qualified under section 15 of this 2007 Act. 4 (2) Subsection (1) of this section does not affect the right to prosecute or defend a cause in 5 person as provided in ORS 9.320. 6 (3) A person licensed under ORS 696.022 acting in the scope of the person's license to arrange 7 a real estate transaction, including the sale, purchase, exchange, option or lease coupled with an 8 9 option to purchase, lease for a term of one year or longer or rental of real property, is not engaged in the practice of law in violation of subsection (1) of this section. 10 (4) A title insurer authorized to do business in this state, a title insurance agent licensed under 11 12 the laws of this state or an escrow agent licensed under the laws of this state is not engaged in the 13 practice of law in violation of subsection (1) of this section if, for the purposes of a transaction in which the insurer or agent provides title insurance or escrow services, the insurer or agent: 14 15 (a) Prepares any satisfaction, reconveyance, release, discharge, termination or cancellation of a lien, encumbrance or obligation; 16 (b) Acts pursuant to the instructions of the principals to the transaction as scrivener to fill in 17 18 blanks in any document selected by the principals; 19 (c) Presents to the principals to the transaction for their selection any blank form prescribed 20by statute, rule, ordinance or other law; or (d) Presents to the principals to the transaction for their selection a blank form prepared or 2122approved by a lawyer licensed to practice law in this state for one or more of the following: 23(A) A mortgage. (B) A trust deed. 94 (C) A promissory note. 25(D) An assignment of a mortgagee's interest under a mortgage. 2627(E) An assignment of a beneficial interest under a trust deed. (F) An assignment of a seller's or buyer's interest under a land sale contract. 28(G) A power of attorney. 2930 (H) A subordination agreement. 31 (I) A memorandum of an instrument that is to be recorded in place of the instrument that is the 32subject of the memorandum. (5) In performing the services permitted in subsection (4) of this section, a title insurer, a title 33 34 insurance agent or an escrow agent may not draft, select or give advice regarding any real estate 35document if those activities require the exercise of informed or trained discretion. (6) The exemption provided by subsection (4) of this section does not apply to any acts relating 36 37 to a document or form that are performed by an escrow agent under subsection (4)(b), (c) or (d) of 38 this section unless the escrow agent provides to the principals to the transaction a notice in at least 12-point type as follows: 39 40 41 YOU WILL BE REVIEWING, APPROVING AND SIGNING IMPORTANT DOCUMENTS AT 42 CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE 43

43 CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE
44 DOCUMENTS. THESE CONSEQUENCES AFFECT YOUR RIGHTS AND OBLIGATIONS. YOU
45 MAY CONSULT AN ATTORNEY ABOUT THESE DOCUMENTS. YOU SHOULD CONSULT AN

ATTORNEY IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE TRANSACTION OR 1 2 ABOUT THE DOCUMENTS. IF YOU WISH TO REVIEW TRANSACTION DOCUMENTS THAT 3 YOU HAVE NOT YET SEEN, PLEASE CONTACT THE ESCROW AGENT. 4  $\mathbf{5}$ (7) The exemption provided by subsection (4) of this section does not apply to any acts relating 6 7 to a document or form that are performed by an escrow agent under subsection (4)(b), (c) or (d) of this section for a real estate sale and purchase transaction in which all or part of the purchase price 8 9 consists of deferred payments by the buyer to the seller unless the escrow agent provides to the 10 principals to the transaction: (a) A copy of any proposed instrument of conveyance between the buyer and seller to be used 11 12in the transaction; 13 (b) A copy of any proposed deferred payment security instrument between the buyer and seller to be used in the transaction; and 14 15 (c) A copy of any proposed promissory note or other evidence of indebtedness between the buyer and seller to be used in the transaction. 16 (8) The notice and copies of documents that must be provided under subsections (6) and (7) of 1718 this section must be delivered in the manner most likely to ensure receipt by the principals to the transaction at least three days before completion of the transaction. If copies of documents have 19 20 been provided under subsection (7) of this section and are subsequently amended, copies of the amended documents must be provided before completion of the transaction. 2122(9) Failure of any person to comply with the requirements of subsections (3) to (8) of this section 23does not affect the validity of any transaction and may not be used as a basis to challenge any transaction. 94 25SECTION 18. ORS 244.250 is amended to read: 244.250. (1) The Oregon Government [Standards and Practices] Ethics Enforcement Commis-2627sion is established, consisting of [seven] no more than 15 members appointed in the following manner to be confirmed by the Senate: 28(a) Four members appointed by the Governor from among persons recommended, one each by the 2930 leadership of the Democratic and Republican parties in each house of the Legislative Assembly. If 31 a person recommended by the leadership of the Democratic or Republican party is not approved by the Governor, the leadership who recommended the person shall recommend another person 32[shall be recommended] until the Governor approves a person recommended by the leadership. 33 34 (b) [Three members] One member appointed by the Governor from each congressional dis-35trict, without leadership recommendation.[,] No more than [two of whom shall] three members **appointed under this paragraph may** be from the same major political party. 36 37 (c) One member appointed by the Governor from among persons recommended by each 38 major political party. If a person recommended by a major political party is not approved by the Governor, the party shall recommend another person until the Governor approves of a 39 person recommended by the major political party. 40 (d) One member appointed by the Governor from among persons recommend by the Su-41 preme Court. If a person recommended by the Supreme Court is not approved by the Gov-42 ernor, the court shall recommend another person until the Governor approves of a person 43 recommended by the Supreme Court. 44 (e) No more than one-third of the members of the commission may be public officers of 45 [15]

1 the court.

2 (f) A person who has been a lobbyist registered with the commission within two years 3 prior to the date of appointment may not be recommended or appointed to the commission.

4 (g) A person who has been a public official within two years prior to the date of ap-5 pointment may not be recommended or appointed to the commission.

6 (2) [No person who holds any public office listed in ORS 244.050 (1) except as a member of the 7 commission shall be appointed to the commission.] No more than [four] five members shall be mem-8 bers of the same political party.

9 (3) The term of office is four years. No member shall be eligible to be appointed to more than 10 one full term but may serve out an unexpired term. However, those members first appointed to the 11 commission serving less than a three-year term are eligible for a second appointment for a full term. 12 Vacancies shall be filled by the appointing authority for the unexpired term.

(4) The commission shall elect a chairperson and vice chairperson for such terms and duties asthe commission may require.

(5) A quorum consists of [four] six members but no final decision may be made without an af firmative vote of the majority of the members appointed to the commission.

17

(6) Members [shall be] are entitled to compensation and expenses as provided in ORS 292.495.

(7) The commission may retain, hire or appoint qualified legal counsel who shall be a [member of the Oregon State Bar] public officer of the court and who shall be responsible to the commission. The appointment of legal counsel under this subsection shall be made only when the commission finds it is inappropriate and contrary to the public interest for the office of the Attorney General to represent concurrently more than one public official or agency in any matter before the commission because such representation would create or tend to create a conflict of interest and is not subject to ORS 180.230 or 180.235.

(8) The Attorney General [shall] may not represent before the commission any state public official who is the subject of any complaint or action of the commission at the commission's own instigation.

28

**SECTION 19.** ORS 244.260 is amended to read:

29 244.260. (1)(a) Upon its own instigation or signed complaint of any person, the Oregon Govern-30 ment [*Standards and Practices*] **Ethics Enforcement** Commission may undertake action in the Pre-31 liminary Review Phase with respect to the contents of any statements filed under this chapter or 32 resolution adopted pursuant thereto or any alleged violation of any provision of this chapter.

(b) The public official who is the subject of a complaint or of the commission's own action shall 33 34 be notified immediately upon receipt of the complaint or upon adoption of a motion by the commission to undertake any action concerning the public official. The notice shall be given by telephone 35if the official can be reached and shall also be in writing mailed to the official. The notice shall 36 37 include the nature of the complaint or motion and a copy of all materials submitted along with the 38 complaint or materials which give rise to the commission's instigation of action on its own motion. However, the official must also be notified in advance if an issue that may give rise to a motion to 39 undertake action on the commission's own instigation is to be discussed at a commission meeting. 40

(c) Before investigating any complaint or undertaking any investigation at the commission's own instigation, if the public official who is the subject of the complaint or of the commission's own action is a member of the Legislative Assembly, the commission shall determine whether the alleged violation of any provision of this chapter involves conduct protected by section 9, Article IV of the Oregon Constitution. If the commission determines that the conduct is protected by section 9, Article IV of the Oregon Constitution, the commission shall dismiss the complaint or rescind its motion
 as provided in paragraph (e) of this subsection.

(d) If the complaint has not been dismissed or the motion of the commission has not been 3 rescinded as described in paragraph (c) of this subsection, before investigating any complaint or 4 undertaking an investigation on the commission's own instigation, the commission shall make a 5 finding that there is cause to undertake an investigation, notify the public official who is the subject 6 of the investigation, identify the issues to be examined and shall confine its investigation to those 7 issues. If the commission finds reason to expand its investigation, it shall move to do so and shall 8 9 record in its minutes the issues to be examined before expanding the scope of its investigation and formally notify the complainant and the public official who is the subject of the complaint of the 10 expansion and the scope thereof. 11

(e) If the commission does not make a finding of cause, or if the commission determines that the alleged violation of this chapter involves conduct protected by section 9, Article IV of the Oregon Constitution, the commission shall dismiss the complaint or rescind its motion and shall formally enter the dismissal or rescission on its records. The commission shall notify the public official of the dismissal or rescission. After dismissal or rescission, the commission shall take no further action involving the public official unless a new and different complaint is filed or action at its own instigation is undertaken based on different conduct.

19 (2) The commission may:

(a) During the Preliminary Review Phase, seek, solicit or otherwise obtain any books, papers,
records, memoranda or other additional information, administer oaths and take depositions necessary to determine whether there is cause or if the alleged violation is protected by section 9, Article
IV of the Oregon Constitution; and

(b) During the Investigatory Phase, require any additional information, administer oaths, take depositions and issue subpoenas to compel attendance of witnesses and the production of books, papers, records, memoranda or other information necessary to complete the investigation. If any person fails to comply with any subpoena issued under this section or refuses to testify on any matters on which the person may be lawfully interrogated, the procedure provided in ORS 183.440 shall be followed to compel compliance.

(3) The person conducting any inquiry or investigation shall do so in an impartial, objective
 manner. All favorable and unfavorable information collected by the investigator shall be turned over
 to the commission.

(4) The findings of the commission in any inquiry or investigation shall be reported impartially, including both favorable and unfavorable findings, and shall be made available to the public official who is the subject thereof, to the appointing authority, if any, and to the Attorney General for state public officials and to the appropriate district attorney for local public officials. The findings shall be made available to the Commission on Judicial Fitness and Disability in any investigation involving a judge.

(5) Hearings relating to any charge of alleged violation of this chapter must be held before an
administrative law judge assigned from the Office of Administrative Hearings established under ORS
183.605. The procedure shall be that for a contested case under ORS chapter 183.

42 (6)(a) The period of time from the filing of a complaint or from acting on the commission's own 43 instigation to the finding of cause or dismissal of the complaint or rescission of the motion shall be 44 termed the Preliminary Review Phase and shall not exceed 90 days unless a delay is stipulated to 45 by both the public official and the Oregon Government Standards and Practices Commission with 1 the commission reserving a portion of the delay period to complete its actions.

(b) The Preliminary Review Phase shall be confidential. Commission members and staff may acknowledge receipt of a complaint but shall make no public comment or publicly disclose any materials relating to a case during the Preliminary Review Phase. A person who intentionally violates this paragraph is subject to a civil penalty in an amount not to exceed \$1,000. Any person aggrieved as a result of a violation of this paragraph by a member of the commission or its staff may file a petition in a court of competent jurisdiction in the county in which the petitioner resides in order to enforce the civil penalty provided in this paragraph.

9 (c) The commission's deliberations of a case at the conclusion of the Preliminary Review Phase 10 shall be conducted in executive session. All case related materials and proceedings shall be open to 11 the public after the commission makes a finding of cause, dismisses a complaint or rescinds a mo-12 tion. Prior to the end of the Preliminary Review Phase, the executive director of the commission 13 shall prepare a statement of the facts determined during the phase, including appropriate legal ci-14 tations and relevant authorities. Before presentation to the commission, the executive director's 15 statement shall be reviewed by legal counsel to the commission.

16

(d) The time limit imposed in this subsection and the commission's inquiry are suspended if:

(A) There is a pending criminal investigation that relates to the issues arising out of the
underlying facts or conduct at issue in the matter before the commission unless the parties stipulate
otherwise; or

20

30

(B) A court has enjoined the commission from continuing its inquiry.

(7)(a) The period of time from the finding of cause to the beginning of any contested case proceedings shall be termed the Investigatory Phase and shall not exceed 120 days unless a delay is stipulated to by both the public official and the Oregon Government Standards and Practices Commission with the commission reserving a portion of the delay period to complete its actions.

(b) The time limit imposed in this subsection and the commission's investigation are suspendedif:

(A) There is a pending criminal investigation that relates to the issues arising out of the
underlying facts or conduct at issue in the matter before the commission unless the parties stipulate
otherwise; or

(B) A court has enjoined the commission from continuing its investigation.

(c) At the end of the Investigatory Phase, the commission shall take action by order, whichaction may include:

33 (A) Dismissal, with or without comment;

(B) Continuation of the investigation to determine further facts, but no more than one contin uation, not to exceed 30 days' duration, shall be taken;

36 (C) Moving to a contested case proceeding;

37 (D) Seeking a negotiated settlement; or

38 (E)

(E) Taking other appropriate action if justified by the findings.

(8) If, at the end of the Investigatory Phase, the commission takes action by order to move to a contested case proceeding, a public official may notify the commission that the official elects to have the commission file a lawsuit against the official in the Marion County Circuit Court in lieu of the contested case proceeding. The public official shall notify the commission of the election in writing no later than 21 days after receiving notification of the commission's action by order to move to the contested case proceeding. The commission shall file suit within 30 days after receiving notice that the public official has elected the lawsuit procedure.

1 (9) The commission shall not inquire into or investigate any complaint or act at its own insti-

2 gation on alleged conduct that occurred more than four years before the complaint is filed or action 3 is undertaken.

4 (10) Nothing in this section is intended to prevent the commission and the public official or 5 other person alleged to have violated this chapter from stipulating to a finding of fact concerning 6 the violation and consenting to an appropriate penalty. The commission shall enter an order ac-7 cordingly.

8 (11) As used in this section:

9 (a) "Cause" means that there is a substantial, objective basis for believing that an offense or 10 violation may have been committed and the person who is the subject of an inquiry may have com-11 mitted the offense or violation.

(b) "Pending" means that a prosecuting attorney is either actively investigating the factual basis of the alleged criminal conduct, is preparing to seek or is seeking an accusatory instrument, has obtained an accusatory instrument and is proceeding to trial or is in trial or in the process of negotiating a plea.

16 17

SECTION 20. ORS 244.280 is amended to read:

(c) "Public official" includes a public officer of the court.

18 244.280. (1) Upon the written request of any public official, candidate for public office or any 19 person, or upon its own motion, the Oregon Government [*Standards and Practices*] **Ethics** 20 **Enforcement** Commission, under signature of the chairperson, may issue and publish opinions on 21 the requirements of this chapter, based on actual or hypothetical circumstances.

(2) If any public official or business with which the public official is associated is in doubt whether a proposed transaction or action constitutes a violation of this chapter, the public official or the business may request in writing a determination from the commission. [If any public official is in doubt whether receipt of an honoraria is in violation of this chapter because the person paying the honoraria may be found to have a legislative or administrative interest, the public official shall request in writing a determination from the commission.] The requester shall supply such information as the commission requests to enable it to issue the interpretation.

(3) A public official or business with which a public official is associated [shall not be] is not liable under this chapter, for any action or transaction carried out in accordance with an advisory interpretation issued under subsection (2) of this section. Such an advisory interpretation shall be considered a formal opinion having precedential effect and shall be subject to review by legal counsel to the commission before the interpretation is sent to the requester.

34 SECTION 21. ORS 244.290 is amended to read:

244.290. The Oregon Government [Standards and Practices] Ethics Enforcement Commission
 shall:

(1) Prescribe forms for statements required by this chapter and provide the forms to persons
 required to file the statements under this chapter or resolution adopted pursuant thereto.

(2) Prepare, publish and provide a manual setting forth recommended uniform methods of re porting for use by persons filing statements under this chapter or resolution adopted pursuant
 thereto.

42 (3) Develop a filing, coding and cross-indexing system consistent with the purposes of this 43 chapter.

44 (4) Prepare and publish such reports as the commission finds necessary.

45 (5) Adopt rules necessary to carry out its duties under ORS 171.725 to 171.785 and 171.992 and

1 this chapter, including rules to:

2 (a) Create a procedure under which items before the commission may be treated under a consent
3 calendar and voted on as a single item;

(b) Exempt a public official who is otherwise required to file a statement pursuant to ORS
244.050 from filing the statement if the regularity, number and frequency of the meetings and actions
of the body over which the public official has jurisdiction are so few or infrequent as not to warrant
the public disclosure;

8 (c) Establish an administrative process whereby a person subpoenaed by the commission may
9 obtain a protective order; and

(d) List criteria and establish a process for the commission to use prosecutorial discretion to
 decide whether to proceed with an inquiry or investigation.

(6) Adopt rules requiring all public officials and public officers of the court to pay an annual fee to the commission. The commission shall set the amount of the fee by rule based on the amount of the official salary of the public official. The commission shall set the same fee for all public officers of the court. The commission shall set the fees in an amount necessary to pay the biennial expenses of the commission in administering this chapter.

17

SECTION 22. ORS 244.310 is amended to read:

18 244.310. The Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commission 19 shall appoint an executive director to serve at the pleasure of the commission. The executive di-20 rector [*shall be*] **is** responsible for the administrative operations of the commission and shall perform 21 such other duties as may be designated or assigned to the executive director from time to time by 22 the commission. However, the commission shall not delegate the power to make regulations or issue 23 advisory opinions to the executive director.

24 SECTION 23. ORS 244.320 is amended to read:

25 244.320. (1) The Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commis-26 sion shall cause to have prepared and published a manual on government ethics that explains in 27 terms understandable to legislative and public officials and the public the requirements of this 28 chapter and the commission's interpretation of those requirements whether stated by rule or in an 29 opinion.

30 (2) The commission shall be guided in preparing its manual by the manual prepared by the At-31 torney General to guide public officials and the public in the requirements of ORS chapter 192.

(3) The manual required by this section shall be updated as often as the commission believesnecessary but no less frequently than once every four years.

34 **SECT** 

SECTION 24. ORS 244.345 is amended to read:

244.345. The Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commission Account is established separate and distinct from the General Fund. All moneys received by the Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commission, other than appropriations from the General Fund, shall be deposited into the account and are continuously appropriated to the commission to carry out the duties, functions and powers of the commission.

40

SECTION 25. ORS 244.350 is amended to read:

41 244.350. (1) The Oregon Government [*Standards and Practices*] **Ethics Enforcement** Commis-42 sion or the court under ORS 244.260 (8) may impose civil penalties not to exceed:

(a) Except as provided in paragraph (b) of this subsection, \$1,000 for violating any provision of
this chapter or any resolution adopted under this chapter.

45 (b) \$25,000 for violation of ORS 244.045.

1 (2) The commission may impose civil penalties not to exceed \$1,000 for violating any provision 2 of ORS 192.660. However, a civil penalty may not be imposed under this subsection if the violation 3 occurred as a result of the governing body of the public body acting upon the advice of the public 4 body's counsel.

5 (3) The commission may impose civil penalties not to exceed \$250 for violation of ORS 293.708.

6 (4) Any penalty imposed under this section is in addition to and not in lieu of any other penalty 7 or sanction that may be imposed according to law, including removal from office.

8

SECTION 26. ORS 351.067 is amended to read:

351.067. (1) In carrying out its authority under ORS 351.070, the State Board of Higher Education may authorize receipt of compensation for any officer or employee of the Oregon University
System from private or public resources, including, but not limited to, income from:

12 (a) Consulting;

13 (b) Appearances and speeches;

(c) Intellectual property conceived, reduced to practice or originated and therefore owned within
 the Oregon University System;

(d) Providing services or other valuable consideration for a private corporation, individual, or entity, whether paid in cash or in-kind, stock or other equity interest, or anything of value regardless of whether there is a licensing agreement between the Oregon University System and the private entity; and

(e) Performing public duties paid by private organizations, including institution corporate affiliates, which augment an officer's or employee's publicly funded salary. Such income shall be authorized and received in accordance with policies and rules established by the board.

(2) The board [shall] may not authorize compensation, as defined in subsection (1) of this section, that, in the board's judgment, does not comport with the mission of the institution and the
Oregon University System or substantially interferes with an officer's or employee's duties to the
Oregon University System.

(3) Any compensation[,] described and authorized under subsection (1) of this section[, shall be]
is considered official salary[, honorarium] or reimbursement of expenses for purposes of ORS 244.040.
If authorization or receipt of [such] the compensation creates a potential conflict of interest, the
officer or employee shall report the potential conflict [shall be reported] in writing in accordance
with rules of the state board. The disclosure is a public record subject to public inspection.

(4) The state board shall adopt by rule standards governing employee outside employment and
 activities, including potential conflict of interest, as defined by state board rule and consistent with
 ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential
 or actual conflict of interest complaints.

36 SECTION 27. ORS 353.270 is amended to read:

37 353.270. (1) Oregon Health and Science University may authorize receipt of compensation for 38 any officer or employee of the university from private or public resources, including but not limited 39 to income from:

40 (a) Consulting;

41 (b) Appearances and speeches;

42 (c) Intellectual property conceived, reduced to practice or originated and therefore owned within43 the university;

(d) Providing services or other valuable consideration for a private corporation, individual or
 entity, whether paid in cash or in kind, stock or other equity interest, or anything of value regard-

1 less of whether there is a licensing agreement between the university and the private entity;

2 (e) Performing public duties paid by private organizations, including university corporate affil-3 iates, that augment an officer's or employee's publicly funded salary. Such income shall be author-4 ized and received in accordance with policies established by the university; and

(f) Providing medical and other health services.

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6 (2) The university [*shall*] **may** not authorize compensation, as described in subsection (1) of this 7 section, that, in the university's judgment, does not comport with the missions of the university or 8 substantially interferes with an officer's or employee's duties to the university.

9 (3) Any compensation described and authorized under subsection (1) of this section [*shall be*] is 10 considered official salary[, *honorarium*] or reimbursement of expenses for purposes of ORS 244.040. 11 If authorization or receipt of [*such*] the compensation creates a potential conflict of interest, the 12 officer or employee shall report the potential conflict [*shall be reported*] in writing in accordance 13 with policies of the university. The disclosure is a public record subject to public inspection.

(4) The university shall adopt standards governing employee outside employment and activities
of employees, including potential conflicts of interest, as defined by the university and consistent
with ORS 244.020, and the public disclosure thereof, and procedures for reporting and hearing potential or actual conflict of interest complaints.

18 **SECTION 28.** ORS 171.745 is amended to read:

19 171.745. (1) A lobbyist registered with the Oregon Government Standards and Practices Com-20 mission or required to register with the commission shall, on January 31 and July 31[,] of each 21 even-numbered year, and on January 31, April 30 and July 31 of each odd-numbered year, file with 22 the commission a statement showing:

(a) The total amount of all moneys expended by the lobbyist for the purpose of lobbying in thepreceding reporting period for:

25 (A) Food, refreshments and entertainment;

26 (B) Printing, postage and telephone;

27 (C) Advertising, public relations, education and research; and

28 (D) Miscellaneous; and

(b) The name of any legislative or executive official to whom or for whose benefit, on any one occasion, an expenditure in excess of \$25 is made for the purposes of lobbying, and the date, name of payee, purpose and amount of that expenditure.

(2) Beginning on July 1, 1979, the dollar amount specified in subsection (1)(b) of this section
shall be adjusted annually by the commission based upon the change in the Portland Consumer Price
Index for All Urban Consumers for All Items as prepared by the Bureau of Labor Statistics of the
United States Department of Labor or its successor during the preceding 12-month period. The
amount determined under this subsection shall be rounded to the nearest dollar.

(3) Statements required by this section need not include amounts expended by the lobbyist for personal living and travel expenses and office overhead, including salaries and wages paid for staff and secretarial assistance, and maintenance expenses. If the amount of any expenditure required to be included in a statement is not accurately known at the time the statement is required to be filed, an estimate of the expenditure shall be submitted in the statement and designated as an estimate. The exact amount expended for which a previous estimate was made shall be submitted in a subsequent report when the information is available.

44 (4) Notwithstanding ORS 171.735[,] **and** 171.740 and subsections (1) to (3) of this section, a reg-45 istered lobbyist[,] who engages in lobbying activities without compensation on behalf of an organization is not required to register as a lobbyist for the organization as long as the lobbying activity
does not exceed the financial or time limits set in ORS 171.735 (4).

3 [(5) A statement required by this section shall include a copy of any notice provided to a public 4 official under ORS 244.100 (3).]

5 [(6)] (5) For each statement required by this section, an entity comprised of more than one 6 lobbyist may file one statement that reports expenditures by the entity and not by individual 7 lobbyists.

8 **SECTION 29.** ORS 171.750 is amended to read:

9 171.750. (1) Any person on whose behalf a lobbyist was registered, or was required to register 10 with the Oregon Government Standards and Practices Commission at any time during the preceding 11 calendar year, shall file with the commission, by January 31st of each year, a statement showing, 12 for the preceding calendar year:

(a) The total amount of all moneys expended for lobbying activities on the person's behalf, ex cluding living and travel expenses incurred for a lobbyist performing lobbying services.

(b) The name of any legislative or executive official to whom or for whose benefit, on any one occasion, an expenditure in excess of \$25 for the purpose of lobbying is made by the person, but not including information previously reported in compliance with ORS 171.745, and the date, name of payee, purpose and amount of that expenditure.

(2) Using July 1, 1979, as the base, the dollar amount specified in subsection (1)(b) of this section
shall be adjusted annually by the commission based upon the change in the Portland Consumer Price
Index for All Urban Consumers for All Items as prepared by the Bureau of Labor Statistics of the
United States Department of Labor, or its successor, during the preceding 12-month period. The
amount determined under this subsection shall be rounded to the nearest dollar.

[(3) A statement required under subsection (1) of this section shall include a copy of any notice
 provided to a public official under ORS 244.100 (3).]

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SECTION 30. ORS 461.410 is amended to read:

461.410. (1) In order to allow an evaluation by the Oregon State Lottery of the competence, integrity, background, character and nature of the true ownership and control of lottery vendors, any person who submits a bid, proposal or offer as part of a procurement for a contract for the printing of tickets used in any lottery game, any goods or services involving the receiving or recording of number selection in any lottery game, or any goods or services involving the determination of winners in any lottery game, which are hereby referred to as major procurements, shall first disclose at the time of submitting such bid, proposal or offer to the state lottery all of the following items:

(a) A disclosure of the lottery vendor's name and address and, as applicable, the name and ad-dress of the following:

(A) If the vendor is a corporation, the officers, directors and each stockholder in such corporation; except that, in the case of stockholders of publicly held equity securities of a publicly traded
corporation, only the names and addresses of those known to the corporation to beneficially own
percent or more of such securities need be disclosed.

40 (B) If the vendor is a trust, the trustee and all persons entitled to receive income or benefit from41 the trust.

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(C) If the vendor is an association, the members, officers and directors.

(D) If the vendor is a subsidiary, the officers, directors and each stockholder of the parent corporation thereof; except that, in the case of stockholders of publicly held equity securities of a
publicly traded corporation, only the names and addresses of those known to the corporation to

1 beneficially own 15 percent or more of such securities need be disclosed.

2 (E) If the vendor is a partnership or joint venture, all of the general partners, limited partners 3 or joint venturers.

4 (F) If the parent company, general partner, limited partner or joint venturer of any vendor is 5 itself a corporation, trust, association, subsidiary, partnership or joint venture, then all of the in-6 formation required in this section shall be disclosed for such other entity as if it were itself a vendor 7 to the end that full disclosure of ultimate ownership be achieved.

8 (G) If any member of the immediate family of any vendor is involved in the vendor's business in 9 any capacity, then all of the information required in this section shall be disclosed for such imme-10 diate family member as if the family member were a vendor.

(H) If the vendor subcontracts any substantial portion of the work to be performed to a subcontractor, then all of the information required in this section shall be disclosed for such subcontractor as if it were itself a vendor.

(I) The persons or entities in subparagraphs (A) to (H) of this paragraph, along with the vendor
 itself, shall be referred to as control persons.

(b) A disclosure of all the states and jurisdictions in which each control person does business,
 and the nature of that business for each such state or jurisdiction.

(c) A disclosure of all the states and jurisdictions in which each control person has contracts
to supply gaming goods or services, including, but not limited to, lottery goods and services and the
nature of the goods or services involved for each such state or jurisdiction.

(d) A disclosure of all the states and jurisdictions in which each control person has applied for, has sought renewal of, has received, has been denied, has pending or has had revoked a gaming license of any kind, and the disposition of such in each such state or jurisdiction. If any gaming license has been revoked or has not been renewed or any gaming license application has been either denied or is pending and has remained pending for more than six months, all of the facts and circumstances underlying this failure to receive such a license must be disclosed.

(e) A disclosure of the details of any conviction or judgment of a state or federal court of each
 control person of any felony and any other criminal offense other than traffic offenses.

(f) A disclosure of the details of any bankruptcy, insolvency, reorganization or any pending liti-gation of each control person.

(g) A disclosure for each control person who is a natural person of employment, residence, education and military history since the age of 18 years, and any federal, state or local elective position ever held by such person.

(h) A disclosure consolidating all reportable information on all reportable contributions by each
control person to any local, state or federal political candidate or political committee in this state
for the past five years that is reportable under any existing state or federal law.

(i) A disclosure of the identity of any entity with which each control person has a joint venture
or other contractual arrangement to supply any state or jurisdiction with gaming goods or services,
including a disclosure with regard to such entity of all of the information requested under paragraphs (a) to (h) of this subsection.

(j) A disclosure consisting of financial statements of the lottery vendor for the past three years.
(k) A disclosure of any economic interest as contemplated by ORS 244.060 to 244.080, known to
the lottery vendor to be held by [any of the persons named in ORS 244.050 (1)(a)] the Governor, the
Secretary of State, the State Treasurer, the Attorney General, the Commissioner of the
Bureau of Labor and Industries, the Superintendent of Public Instruction, a district attor-

ney, a member of the Legislative Assembly, any lottery commissioner, the lottery director[,] or 1 the assistant directors of the state lottery, in any lottery vendor or its control persons. 2 (L) Such additional disclosures and information as the director may determine to be appropriate 3 4 for the procurement involved. (2) No contract for a major procurement with any vendor who has not complied with the dis-5 closure requirements described in this section for each of its control persons shall be entered into 6 7 or be enforceable. Any contract with any lottery contractor who does not comply with such requirements for periodically updating such disclosures from each of its control persons during the 8 9 tenure of such contract as may be specified in such contract may be terminated by the commission. SECTION 31. (1) The amendments to ORS 244.100 by section 12 of this 2007 Act apply to 10 gifts received or made on or after January 1, 2008. 11 12(2) The amendments to ORS 244.020 and 244.040 by sections 2 and 4 of this 2007 Act apply to activities that occur on or after January 1, 2008. 13 (3) The amendments to ORS 244.045 by section 5 of this 2007 Act apply to persons who 14 15 are serving as public officials on or after the effective date of this 2007 Act. 16 (4) The amendments to ORS 244.055 by section 7 of this 2007 Act apply to statements filed on or after the effective date of this 2007 Act. 17 18 (5) The amendments to ORS 244.060 and 244.100 by sections 8 and 12 of this 2007 Act apply to expenses received or paid on or after January 1, 2008. A public official shall list on the first 19 statement of economic interest filed after January 1, 2008, all expenses the public official 20received prior to January 1, 2008, that were: 2122(a) Required to be reported under ORS 244.060 on the day before January 1, 2008; and 23(b) Were not reported on a previous statement of economic interest the public official filed. 24

(6) The amendments to ORS 351.067 and 353.270 by sections 26 and 27 of this 2007 Act
 apply to compensation received on or after January 1, 2008.

27 <u>SECTION 32.</u> (1) Any proceeding, action, prosecution or other business or matter 28 undertaken or commenced before January 1, 2008, by the Oregon Government Standards and 29 Practices Commission under any provision of ORS chapter 244 and still pending on January 30 1, 2008, shall be conducted and completed by the commission in the same manner, under the 31 same terms and conditions and with the same effect as though undertaken, conducted or 32 completed before January 1, 2008.

(2) Nothing in this 2007 Act relieves any person of any obligation with respect to any tax,
 fee, fine, civil penalty or other charge, interest, penalty, forfeiture or other liability, duty or
 obligation.

SECTION 33. (1) Sections 14 to 16 of this 2007 Act and the amendments to ORS 9.160, 171.745, 171.750, 244.010, 244.020, 244.030, 244.040, 244.045, 244.050, 244.055, 244.060, 244.070, 244.080, 244.090, 244.100, 244.115, 244.250, 244.260, 244.280, 244.290, 244.310, 244.320, 244.345, 244.350, 351.067, 353.270 and 461.410 by sections 1 to 13 and 17 to 30 of this 2007 Act become operative January 1, 2008.

(2) The Oregon Government Standards and Practices Commission and any other public body as defined in ORS 174.109 may adopt rules or take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the commission or public body to exercise, on or after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the commission or public body by this

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1 2007 Act.

2 <u>SECTION 34.</u> (1) The amendments to ORS 244.250 by section 18 of this 2007 Act are in-3 tended to change the name of the "Oregon Government Standards and Practices 4 Commission" to the "Oregon Government Ethics Enforcement Commission."

5 (2) The amendments to ORS 244.345 by section 24 of this 2007 Act are intended to change 6 the name of the "Oregon Government Standards and Practices Commission Account" to the 7 "Oregon Government Ethics Enforcement Commission Account."

8 (3) For the purpose of harmonizing and clarifying statute sections published in Oregon 9 Revised Statutes, the Legislative Counsel may substitute for words designating the "Oregon 10 Government Standards and Practices Commission," wherever they occur in Oregon Revised 11 Statutes, other words designating the "Oregon Government Ethics Enforcement Commis-12 sion."

(4) For the purpose of harmonizing and clarifying statute sections published in Oregon
Revised Statutes, the Legislative Counsel may substitute for words designating the "Oregon
Government Standards and Practices Commission Account," wherever they occur in Oregon
Revised Statutes, other words designating the "Oregon Government Ethics Enforcement
Commission Account."

18 <u>SECTION 35.</u> This 2007 Act being necessary for the immediate preservation of the public 19 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect 20 on its passage.

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