

SENATE ETHICS, ELECTIONS, AND CAMPAIGN FINANCE COMMITTEE

March 18, 1993                      Hearing Room B 3:00 p.m.                      Tapes 24 and 25  
MEMBERS PRESENT: Senator Grattan Kerans, Chair Senator Neil Bryant  
Senator Joan Dukes Senator Dick Springer MEMBERS EXCUSED:                      Senator Rod  
Johnson STAFF PRESENT: Annette Talbott, Committee Counsel Tamara  
Brickman, Committee Assistant MEASURES CONSIDERED:                      Work Session SB  
159 SB 111

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004            CHAIR KERANS: Calls meeting to order at 3:20 p.m.                      Begins discussion of the amendments                      SB 159-5 page 22. (EXHIBIT C, from 3116193) 024 ANNETTE TALBOTT, Committee Counsel: Discusses the conceptual amendment proposed by the committee on 3116/93. (EXHIBIT A)

040            CHAIR KERANS: Comments that "a public of ficial" would mean one or more public officials. "If there was...two or more with a conflict, and their votes were needed then they could vote."

044            TALBOTT: Reviews for the committee a discussion she had with Legislative Counsel. This does not interfere with an individual's right to petition his/her government if there was a specific grievance. There would not be a way to prohibit a person from "stepping down from the podium and participating as a private citizen."

056            SEN. BRYANT: "So they can declare their conflict, then step down, sit in the audience, and sign up to speak?"

058            TALBOTT: The difference is that a public official would not be able from the podium to participate in a discussion with other witness who might present information on the topic. The only thing they could do is speak from the witness stand. There is some material difference between their participation as a citizen and what they could do as a public official. Senate Ethics, Elections, and Campaign Finance Committee March 18, 1993 - Page 2

063            SEN. BRYANT: "What would happen in that situation where then the remainder of the public body would ask them questions?"

064            TALBOTT: "As a citizen that would be fine. The role that would be limited, as the language is crafted, is that they could not come back on the podium and then start asking other witnesses, on that same issue, questions. They could only vote at that point if they were needed."

069            MOTION: CHAIR KERANS: Moves the conceptual amendment on page 3, lines 7-9 (EXHIBIT A) to be substituted for material found on page 22 of the amendments SB 159-5. VOTE: CHAIR KERANS: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson, Sen. Dukes. 074                      SEN. BRYANT: Asks Mr. Hearn to include in his educational materials an example that would explain the situation involving an actual conflict of interest. 078                      TALBOTT: Continues discussion of the amendments SB 159-5 (EXHIBIT C, from 3116/93). Page 23, lines 26 -31. Discusses Mr. Dole's proposal (EXHIBIT G, from 3116193), which would require the commission to actually "make a finding that is inappropriate and

contrary to the public interest and do so on the record." This would clarify that this would be the commission's obligation. The language that addresses this issue is found on EXHIBIT B, pg. 1. 092 CHAIR KERANS: Asks what a finding is and if this would slow the process down. 094 TALBOTT: "Mr. Chair I believe that they want to announce on the record the factual basis for which they've found that it is inappropriate and contrary to the public interest." 096 CHAIR KERANS: Ask if this would be a separate hearing. 099 TALBOTT: Comments that she does not believe so and that this was not the intention of Mr. Dole. 100 CHAIR KERANS: Clarifies that this would require the commission to actually "state what the case was, what the conflicts were in their opinion, what the situation was, the underlying facts, why they wanted to do that, and why they thought outside counsel would be appropriate in that case, and then they could act on that." Asks for any objection to this concept and hears none. Comments that the committee has not heard from the Department of Justice (DOJ) on this. Directs counsel to talk to DOJ. 112 CHAIR KERANS: Recesses the meeting at 3:25 p.m. so Sen. Bryant can testify at another committee. 113 CHAIR KERANS: Reconvenes the meeting at 3:31 p.m., upon the arrival of Sen. Dukes, a quorum was present.

117 CHAIR KERANS: Explains that the committee is looking at the SB 159-5 amendments on page 24. (EXHIBIT C, from 311 6193)

122 TALBOTT: Discusses the conforming amendment on line 19. The word "its" should be replaced by "the commission." Addresses the issue on page 26 a conforming change which would add "after the word commission on line 29, unless the parties stipulate otherwise. This would also appear on page 27,

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line 10. " (EXHIBIT A)

135 CHAIR KERANS: "I assume we'll accept these unless there is an objection." 138 SEN. SPRINGER: "What if there is a willful failure to comply with request for information or deliberate avoidance?"

144 PATRICK HEARN, Executive Director, Oregon Government Ethics Commission: "I don't think you could do anything." 146 CHAIR KERANS: "The question doesn't go to the question about the suspension, but rather the whole idea of how you proceed when the party is.."

148 SEN. SPRINGER: "non cooperative. " 149 HEARN: Responding to Chair Kerans and Sen. Springer comments that he is not quite sure what could be done. "I guess you could make a default finding of some kind perhaps." 150 CHAIR KERANS: "Can you try in absentia?" 152 HEARN: Explains that if a person does not respond in a certain amount of time from the time a hearing is set then the person waves her/his right to that hearing. 155 CHAIR KERANS: "If they had the smoking gun documents and took them with them (out of the country) then you would be stymied?" 157 HEARN: "Mr. Chair that's correct." 158 TALBOTT: Continues the discussion with Chair Kerans.

162 CHAIR KERANS: Reads from the amendments

165 TALBOTT: "It would suspend...the discussion that occurred yesterday

was that you wanted it to be a joint agreement between the commission and the person."

168 CHAIR KERANS: "I think its best to leave it the parties stipulate otherwise in order to give the person who is the target of the investigation the option to delay that while a criminal matter is proceeding." Comments that if a person absconds on a civil matter before the Oregon Government Ethics Commission that person would be subject "to all kinds of informal sanctions." 174 SEN. SPRINGER: Discusses with Chair Kerans a case involving a former member of the house.

180 TALBOTT: Discusses the issue of the definition of "pending. " Addresses the addition to SB 159-5, page 28, line 1, after "instrument" the language ", has obtained an accusatory instrument and is proceeding to or in trial or in the process of negotiating a plea." (EXHIBIT B)

218 CHAIR KERANS: "That's the post Grand Jury, you're going to trial, we'll continue to suspend, and not turn your clock back." . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks repon a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. Senate Ethics, Elections, and Campaign Finance Committee March 18, 1993 - Page 4

221 TALBOTT: Comments that the amendment may need some form and style corrections. 223MOTION: CHAIR KERANS: Moves to insert after

"instrument" the language ", has obtained an accusatory instrument and is proceeding to or in trial or in the process of negotiating a plea. " VOTE: Hearing no objection the MOTION IS ADOPTED. EXCUSED: Sen. Johnson, Sen. Bryant.

224TALBOTT: Discusses that there are some conforming amendments to fix internal references that were not correct. Addresses the issue regarding Mr. Dole's proposal which would delete lines 1 and 2 on page 31 and insert the language "(C) Establish an administrative process where a person subpoenaed by the commission may obtain a protective order." (EXHIBIT B) 239 MOTION: CHAIR KERANS: Moves to delete lines 1 and 2 on page 31 and insert "(C) Establish an

administrative process where a person subpoenaed by the commission may obtain a protective order." VOTE: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson, Sen. Bryant. 243TALBOTT: Comments that line remaining on line 11, 12, and 13 are conforming amendments. "You can delete section 25 on pages 32 and 33 because you have restored the definition of member of household." (EXHIBIT C, from 3116/93)

250 CHAIR KERANS: "Section 25, we restored the definition of member of household." 254 TALBOTT: Comments that section 25 is not needed in the bill because "member of household" is defined earlier in the draft. Discusses the amendments to Section 10, page 13 of the SB 159-f amendments regarding the "revolving door statute" titles. (EXHIBIT B)

286 CHAIR KERANS: "Have we covered what used to be the Supervisor of the Savings and Loan, Credit Union, Consumer Finance Section, and the Supervisor of the Banking Section?" 288 TALBOTT: Comments that this is her understanding but she is waiting for confirmation. 295 CHAIR

KERANS: Asks Ms. Talbott to read ORS 244.045 Subsection 1 "in its entirety down to, shall not colon."" 296TALBOTT: "A person who has

been State Treasurer, Chief Deputy State Treasurer, A Public Utility Commissioner, The Director of the Department of Insurance and Finance, The Administrator of the Division of Finance and Corporate Securities, The Administrator of the Insurance Division, The Administrator of the Oregon Liquor Control Commission, and The Director of the Oregon State Lottery shall not:" 301 CHAIR KERANS: Explains the language which Ms. Talbott read.

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310 TALBOTT: Discusses the amendments which would be a revision of the SB 159 -6 amendments, which Mr. Dole thought had some conceptual problems. "It would specify that it's not a person who has held a position who negotiated contracts, but someone who in fact had actually negotiated or let public contracts or invested public funds. It also proposes that the lobbyist provision not only provide that the person would be prohibited from lobbying before an agency, but also (before) their respective board or commission. Mr. Dole's concern was when somebody lets a contract, for instance do they do that for the Department of Transportation or the Transportation Commission. In some instances, it's an either or situation." (EXHIBIT B) 330 TALBOTT: Comments that it would be the same sub paragraph B, "in terms of influencing the agency, board or commission. " Comments that the difference between this and the SB 159 -6 amendments is "that the issue of disclosure of confidential information was deleted as part of the language. That also appears on page 13, lines 22 of the current revolving door." 339 CHAIR KERANS: Discusses that the amendments had been drawn to prohibit an official from disclosing confidential information for two years after leaving the position, rather than continuing the prohibition indefinitely. 349 TALBOTT: "The reason that the proposal was is that in ORS 244.040, which is the current ethics code...there is a provision that says you cannot use confidential information gained as a public official to further your personal gain. So the question the committee needs to address in terms of policy is whether or not that is sufficient in the ethics code or whether you want to have some outright prohibition against disclosing confidential information for some period of time...currently it is two years for those people. It seems like to be prohibited from using confidential information to further the personal gain of the public official is pretty broad already in the ethics code, and it's unclear why it's repeated in the revolving door section with the time limit."

370 CHAIR KERANS: Discusses, with Mr. Hearn, how the law currently works. Asks if the public official is barred from disclosing confidential information for personal gain while in office and barred for two years after leaving the position from disclosing confidential information.

390 HEARN: Comments that is his understanding.

392 CHAIR KERANS: "If we want to attach anything to it beyond that two year limitation we would need to act positively to do that."

394 HEARN: "That's correct. "

395 TALBOTT: "If that is the interpretation then there is a reason to have them in both places."

398 HEARN: Comments that the problem of post-employment disclosure of confidential information has not been a "significant issue."

405 SEN. DUKES: Comments that it makes sense for the commission to investigate any person who had used confidential information for personal gain, and she asks "do you really want to deal with the person

who went to the cocktail party and overindulged and started talking about things they shouldn't have been talking about?"

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416 HEARN: "I don't think so." 421 CHAIR KERANS: Discusses the issue that the current problem is the current law for people in the revolving door. "We're probably better to leave the two years statute of limitations, after that they are on their own." 437 HEARN: Adds that the confidential information issue has been a minimal issue throughout the history of the commission because there is very little confidential information in Oregon government. 448 CHAIR KERANS: "Let us insert the new language, the new sub 3, which we find on the front of the amendments submitted by committee staff (EXHIBIT B) at the appropriate place on page 13 line 26 (SB 159 -5 amendments), and..."

TALBOTT: "add a new sub paragraph C."

CHAIR KERANS: "that would say disclose any confidential information gained as a public official. So that would be consistent for the Deputy Attorney General and Assistant Attorney General. They might in fact know something confidential."

467 TALBOTT: Comments that the Attorney General (AG) prohibition is written to prohibit the Deputy AG or Assistant AG office from holding a position or lobbying before the agency that she/she represented. Discusses that the confidential information language is not currently written to include the AG's office. 477 SEN. BRYANT: Comments that the AGs would probably have the "ethical canons" applied to them. Discusses that this prevents a person from disclosing confidential information by the possibility of losing the right to practice law. 483 TALBOTT: Comments that the AGs have additional prohibitions. 485 CHAIR KERANS: Asks if there any objections to adopting the new "sub 3."

487 SEN. DUKES: "Where is the language the ties it to personal gain?"

488 CHAIR KERANS: "That would be in 040 (244.040)." 494 TALBOTT: "Page 11, lines 18 through 21." (EXHIBIT C, from 3/16193)

TAPE 25, SIDE A

037 CHAIR KERANS: Comments that the language "binds" any person who is a public official during her/his service as a public of ficial. Discusses that page 13 prohibits disclosure of confidential information gained as a public official or becoming a lobbyist for two years by anyone leaving the capacity as a public of ficial. 043 TALBOTT: Discusses the issue regarding the prohibition of certain public officials from becoming lobbyists or disclosing confidential information for a period of two years from leaving office. 045 CHAIR KERANS: "You're right. It stands alone." . . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. - Senate Ethics, Elections, and Campaign Finance Committee March 18,1993 - Page 7

046 SEN. SPRINGER: Asks if there is a definition for "confidential information."

048 TALBOTT: Not in chapter 244, unless the commission has one in its rules.

050 HEARN: Comments that the commission does not have a definition of confidential information by rule.

052 SEN. SPRINGER: Discusses what an official would be held accountable for as far as the confidentiality of information that had "already been leaked" such as by a newspaper.

059 CHAIR KERANS: Discusses his understanding on confidential means.

077 HEARN: Comments that the commission has consistently used a threshold in regards to confidential information, which is information not generally available to the public.

080 CHAIR KERANS: Asks if the committee adopts Subsection 3 (EXHIBIT B), what would need to be repeated under 2.

084 TALBOTT: Discusses that a prohibition against disclosure of confidential information against an Attorney General (AG) would probably not be necessary; the Attorney Generals are subject to the legal code of ethics by the Bar. Addresses the issue regarding the prohibition of AGs from lobbying or appearing before the agency which she/he represented. Comments that the term "agency" could be "agency, board or commission," for consistency. (EXHIBIT B)

092 CHAIR KERANS: "Agency, board or commission, yes let's do that." Discusses page 15, after line 14. (EXHIBIT C, from 3116193)

096 TALBOTT: Discusses the issue of referencing several commissions that are not presently listed in chapter 244. 101 CHAIR KERANS: Comments about certain commissions that are required within their "organic statutes" to file SEIs, but are not enumerated within chapter 244. 104HEARN: Responds.

105 CHAIR KERANS: Asks the committee if there would be any problem with "squaring the statutes."

105 SEN. DUKES: "Only that I also have Lottery Director written in on mine."

106 TALBOTT: Comments that the Lottery Director was in the amendments that the committee adopted on 3116193. Discusses that the Director of the Oregon State Lottery and the assistant directors under their "organic statutes" are required to file an SKI. Discusses a suggestion by Mr. Dole which addresses page 18, line 6 and line 9 of the SB 159-5 amendments. The discussion revolves around the number of days in which the public official has to get an SKI filed with the commission.

159 HEARN: Comments that the suggestion, by Mr. Dole, to set a date certain rather than relying on the date of the notice is appropriate.

162 CHAIR KERANS: Asks if the committee has any objection to the suggestion by Mr. Dole. , ~ ~ . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the

163 SEN. DUKES: Asks a question regarding business days.

170 CHAIR KERANS: Explains Sen. Dukes' question.

164 HEARN: Comments that Mr. Dole came up with the idea through reviewing a provision in ORS Chapter 174.

179 CHAIR KERANS: "We're going to do it then."

180 TALBOTT: "Depending on when April 15 falls, you may have a shorter period of time to get those initial letters out."

183 HEARN: Comments that this is a minimal amount of time. "If I take 20 days to give notice out and still give them 15 from the date of that notice, again no harm, no foul to the public official." 188 MOTION:

CHAIR KERANS: MOVES to insert a 5 in the blank on page 18, line 6 and fill in the blank on line 9 with "not less than 15." VOTE: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson. 194 CHAIR KERANS: Asks, Ms. Talbott, when a copy of the bill could be ready.

200 TALBOTT: Comments that she would need to speak with Legislative Counsel. 202 CHAIR KERANS: Discusses, with Sen. Springer, plans to place SB 159 on the caucus agenda.

227 TALBOTT: Addresses the issue that there is a remaining amendment to the SB 159-3 amendments. The honoraria amendment. (EXHIBIT B, from 3116193)

240 CHAIR KERANS: Points to the bold faced words on pages 1 and 4 in the SB 159 -3 amendments. Discusses that this amendment would prohibit a public official from obtaining financial gain in the form of honoraria. Also discusses how the amendment addresses the revolving door provision (page 4). (EXHIBIT B, from 3116193) 260 SEN. BRYANT: Asks for a definition of "emoluments." 262 CHAIR KERANS: Reads the definition of "emoluments" from Black's Law Dictionary. Discusses the concept of the term "emolument" and how it applies to the revolving door statute. (EXHIBIT B, from 3116193) 278 TALBOTT: Comments that the way the amendment has been written it does not include a time line. Discusses the one year time line versus the two year time line.

288 CHAIR KERANS: "Let's put it under one year after line 12." Discusses honoraria and asks the committee members if they want to move the amendment as written. (EXHIBIT B, from 311 6193)

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317 SEN. DUKES: "Could honoraria be construed to be transportation provided by an organization to get you there to make the speech?"

325 HEARN: Comments that there is a specific statutory exemption for office related food, lodging, and travel. Asks if the committee could find another word besides "emoluments." Discusses that "unclear" words causes problem of clarity to public officials. 340 CHAIR KERANS: "Can we use the word honoraria there? Can you get honoraria as a former

public official?" 343 HEARN: "Mr. Chair, no you can't could we use two or three terms?" 348 CHAIR KERANS: Discusses concepts of what should be included.

355 HEARN: Discusses a comment by Mr. Dole concerning a person who has been a public official for a long period of time "who leaves" and is issued a "gold watch" in honor of the amount of time the person spent as a public official.

363 TALBOTT: "The issue of cash is how far the committee wants to go in a policy way about prohibiting any kind of reimbursable expenses for a speech, as opposed to a fee for the speech."

373 CHAIR KERANS: Discusses what his understanding of the amendment regarding honoraria would mean. 392 HEARN: Discusses a complaint that was filed last year in regards to a former public official receiving "significant honoraria" for giving a speech to an "industry wide group that his agency regulated." 399 TALBOTT: "Part of that stems from the use of the term employee in the prohibition against within one year. Under contract or in any other fashion receive financial gain may be one way to do it, and just do it in that particular line 10." 408 CHAIR KERANS: "What would you say?"

409 TALBOTT: Comments that might be where the financial gain may go and that a "whole new " subsection might not be needed. "Because the term employee is, I believe, what Patrick and the commission found in this complaint case he had not become an employee."

419 HEARN: "He was no longer a public official either."

420 CHAIR KERANS: Comments in regards to Ms. Talbott's suggestion stating that it would be easier than creating a new subsection. "On line 10 after the word employee find the words that would say, become an employee or otherwise receive financial gain." 425 TALBOTT: Comments that she will look for a "good term." 427 SEN. BRYANT: "Is there any kind of constitutional problem with someone who is no longer a public official and then we place this restriction on them?"

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431 CHAIR KERANS: Discusses the procedure of not)fication to a person when she/he came on board versus changing the rules in the "middle of the game." 436 SEN. BRYANT: "For instance, right now someone who was in the last session would fall under the two years and so they would have to stop doing this?" 440 HEARN: Comments that the statute would be effective for those who enter into public service on or after the effective date of the act. 446 TALBOTT: "You want a grandfather clause. That is one of the questions we were going to talk about."

448 CHAIR KERANS: Discusses the problem with changing the rules midterm and addresses the issue of "due notice" to a person before entering public service.

455 TALBOTT: "I believe, Mr. Chair, the federal government prohibits, for instance former congress people from being lobbyists before Congress. I believe that has been tested."



459 CHAIR KERANS: Discusses Congressman Les Aucoin's situation.

463 TALBOTT: Discusses that the same kind of terms apply to anti-competition clauses.

471 SEN. BRYANT: "Can I say I don't want the money, but you can give it to this charity or this university instead and not be in violation?"

478 CHAIR KERANS: "As far as the statute is concerned you could not be in control of the money you could say use it for some charitable purpose, undirected." Discusses the concepts regarding this statement.

TAPE 24, SIDE B

038 CHAIR KERANS: Continues the discussion in regards to Sen. Bryant's question regarding directing money to charities.

044 HEARN: Comments the commission gets frequent inquiries in regards to Sen. Bryant's question.

045 CHAIR KERANS: "What is your answer?"

046 HEARN: "We don't feel there is any violation if they suggest that a contribution be made to a charity because they still don't have that control, at that point they are directing. They...say no thank you but you can give a contribution to the crippled children society. That's probably OK."

050 SEN. BRYANT: "To ease your mind you could say where you couldn't directly or indirectly benefit, influence, or whatever the disbursement of the money."

053 TALBOTT: "Or it couldn't be to a charity to which you had any control." 054 CHAIR KERANS: Discusses with Sen. Bryant whether that would be sufficient. The two of them agree that it would. Asks Ms. Talbott to "get some language to do that." . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. Senate Ethics, Elections, and Campaign Finance Committee March 18, 1993 - Page 11

058 SEN. BRYANT: Asks if under honoraria or former emoluments he makes a speech and has the expense of his hotel and meals paid for, could the organization or people "pick up the tab" for a "round of golf" if they offer. 063 HEARN: Comments that golf green fees would be considered a gift, which would come under the "\$100.00 rule."

066 SEN. BRYANT: "If after I'm retired from the legislature and I do this how is reported then?" 069 CHAIR KERANS: "You are not a public official anymore, you go back to being a citizen." 070 SEN. BRYANT: Asks what happens to the public official. "Would he have to pay for his own golf?" HEARN: "Yes. " 071 CHAIR KERANS: Discusses SB 355 and how it would apply to this situation.

079 SEN. DUKES: Asks if in the emoluments section "the paragraph before them is that the only folks who are affected?" (EXHIBIT B, from 3116193)

082 CHAIR KERANS: Comments that the conforming amendments would include "them and the folks that we've just said. Would it not include the

Attorney General and those folks?"

085 TALBOTT: Comments that the emoluments section would not the way that it is currently drafted. .~, 087 SEN. DUKES: "This is the same group who are prohibited from?" 088 TALBOTT: "In section 10, of the SB 159-5 amendments that you've added the State Treasurer, Chief Deputy State Treasurer, OLCC, and State Lottery and the Administrators of the Insurance Commission and the Consumer and Finance Division." 091SEN. DUKES: "This is post who cannot within one year go out and become an employee of the folks over which they had any authority?" TALBOTT: "Right. " 093 SEN. DUKES: Asks why the Director of the Department of Transportation is not included.

095 TALBOTT: Comments that coming up with a list was difficult because there are many "significant heads of departments that have quite a bit of regulatory authority who are not listed, so you could expand the list probably by 10."

099 SEN. SPRINGER: "Head of the Executive Department."

102 CHAIR KERANS: Discusses, with Sen. Dukes and Sen. Springer, the issue of public official leaving government and going to work elsewhere.

122 HEARN: Comments that there are more positions that probably need to be included. . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. Senate Ethics, Elections, and Campay n Finance Committee March 18,1993 - Page 12

125 CHAIR KERANS: "I took the position to go through the list and then simply pick up the ones where there had been some problem that occurred or it seemed to be a logical extension of what we were doing and not go back and get a laundry list." Comments that the committee could add to the list in SB 355 if it wanted. Asks if the bill "goes to ORS 244." 137 TALBOTT: Comments that she is not sure what the relating to clause is, but the committee has other bills relating to government ethics. 139 CHAIR KERANS: Discusses the issue regarding the "laundry list" as a separate issue. 140 SEN. DUKES: Comments that would be fine and discusses some issues of concern to her. 143 CHAIR KERANS: Continues discussion of expanding the list. 151 MOTION: CHAIR KERANS: MOVES the SB 159-3 amendments as amended.

VOTE: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson.

153 TALBOTT: Clarifies for the record that the provision regarding honoraria would allow a person to suggest honoraria be donated to charities, but not direct the money.

WORK SESSION ON SB 111

163 TALBOTT: Discusses the Oregon Government Ethics Commission's budget. Explains the memo regarding the "Budget Proposal for the Oregon Government Ethics Commission." Explains that there is a math (in the memo) error regarding the amount generated by lobbyist fees for "Nonprofit exempt from taxation" should be \$13,150 not \$26,300, which would make the "bottom line" figure \$138,650. (EXHIBIT C)

230 SEN. DUKES: "I assume we are now going to have line items in state

and county budgets for lobbyists' dues. "

232 CHAIR KERANS: Reminds the committee that is a biennial registration fee for lobbyists. Discusses with Sen. Dukes that he intends to cut out the uncompensated people from paying dues.

247 MOTION: CHAIR KERANS: MOVES to fill in the blanks with \$300 for a "Private, for profit entity or nonprofit entity subject to federal taxation;" \$100 for a "nonprofit entity exempt from federal taxation;" \$0 for an "uncompensated lobbyist;" \$25 for "a public employee registered as a lobbyist." 256 HEARN: Discusses that it would be his belief that there will be a significant "drop off" of lobbyists, and that the revenue figure might be "somewhat soft." (EXHIBIT C)

268 CHAIR KERANS: Comments that Oregon would be over the state of Texas, which has a \$50 fee. 272 TALBOTT: Comments that new list has Texas with a \$300 registration per year.

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278 VOTE: Hearing no objections the MOTION being discussed IS ADOPTED. EXCUSED: Sen. Johnson. 280 TALBOTT: Addresses the issue of filling in the blanks for the per client fee "for compensated lobbyists who have more than one client." 284 CHAIR KERANS: "I included that in my reiteration, plus \$100 per each additional client. 286 TALBOTT: Asks whether the committee wants to keep the language as it currently delineates the per client fees for lobbyists (for profit and not for profit), or if it wants "one additional per client fee." Lines 14 - 16 on the proposed amendments. (EXHIBIT D) 293 CHAIR KERANS: "For each additional private, for profit entity or nonprofit entity subject to federal taxation...for each additional nonprofit entity exempt from federal taxation, yeah I think we ought to make that half." (EXHIBIT D)

296 HEARN: Discusses the issue regarding lobbyists with clients from both groups. Comments that a lobbyist should not get a break on a tax exempt client.

304 CHAIR KERANS: Discusses per client fees in regards to profit versus nonprofit entities, with Mr. Hearn. "The fee we assume passes through to the entity...I would rather go lighter on the Girl Scouts than I would on Weyerhaeuser."

313 HEARN: Agrees with Chair Kerans on that statement. Explains his statement in regards to not giving a break to tax exempt clients.

321 CHAIR KERANS: Asks if the committee will permit "what we pass through to nonprofits should be different from what we pass through for profit organizations." 330 SEN. BRYANT: Asks if the committee is "going to run this by the lobby." 332 CHAIR KERANS: Comments that he has met with some members of the Capitol Club and they are fine with the issue. 344 MOTION: CHAIR KERANS: MOVES to insert \$100 in regards to a "for profit entity or nonprofit entity subject to federal taxation;" and \$50 for a "nonprofit entity exempt from federal taxation." to lines 14-15 on (EXHIBIT D) VOTE: Hearing no objection the MOTION IS ADOPTED. EXCUSED: Sen. Johnson. 348 SEN. BRYANT: Asks if a date should be added for when the bill will become effective.

349 TALBOTT: "This particular provision?"

350 CHAIR KERANS: "Yeah. I would say the biennium beginning July 1, 1993."

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356 TALBOTT: Comments the committee might want a date certain.

358 SEN. DUKES: Asks how the people are registered. Annually, January, or when.

365 HEARN: Explains that currently a registration continues "forever until it is terminated. Under this proposal what we will have to do...on a date certain it is going to expire and they are going to have to renew...unless they terminate." Asks if the bill becomes effective in July 1993 and someone registers in September would the person be charged for a full year.

381 CHAIR KERANS: Asks which would be easier for the commission. Discusses the proposal of requiring registration on the anniversary date of the registration. 398 HEARN: "I like that." CHAIR KERANS: "Let's do it that way." 399 TALBOTT: Asks what is done with the ones currently registered. "Do you want them to expire as of a certain date?" 406 HEARN: Comments that the registration would be "dead" when the bill becomes law. 412 TALBOTT: Asks questions regarding the operative date. 414 HEARN: "July 1, 1993 would be fine with me, since it's the beginning of a new biennium."

418 CHAIR KERANS: "Why don't we make it the operative date of the bill?" The effective date of the act.

419 TALBOTT: Comments that the lobbyist would need to know the effective date of the act.

430 CHAIR KERANS: "January 1, 1994. Let's do it that way."

436 MOTION: CHAIR KERANS: MOVES to delete lines 11-29 on page 3 of the SB 111 - 3 amendments and insert lines 3-21 on page 1 and lines 1-8 on page 3 of the amendments submitted by committee staff (EXHIBIT D). VOTE: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson. 457 CHAIR KERANS: Comments the other amendments are conforming amendments.

434 TALBOTT: Explains Mr. Dole's amendment on page 2. (EXHIBIT D)

474 SEN. BRYANT: Responding to Chair Kerans, explains how much attorneys pay for continuing education on ethics. Discusses whether or not fees should be charged to individuals participating in continuing ethics education sponsored by the Oregon Government Ethics Commission.

488 CHAIR KERANS: Comments he likes Mr. Dole's language with the exception of charging people for courses. (EXHIBIT D)

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proceedings, please refer to the tapes. - Senate Ethics, Elections, and Campaign Finance Committee March 18,1993 - Page 15 TAPE 25, SIDE B 036  
TALBOTT: Continues discussion of Mr. Doles' amendment. (EXHIBIT D)

040 CHAIR KERANS: "I would simply stop at 'or both'."

042 TALBOTT: Comments that Legislative Counsel would need better wording and asks if the whole amendment can be subjected to form and style. 043 MOTION: CHAIR KERANS: MOVES to subject the amendment to form and style amendments. VOTE: Hearing no objections the MOTION IS ADOPTED. EXCUSED: Sen. Johnson. 047 CHAIR KERANS: Asks if SB 111 has a subsequent referral to Ways and Means. 048 TALBOTT: Comments that it does not as printed because there were no fees.

049 CHAIR KERANS: Asks where the commission's budget is.

050 HEARN: Comments that there is no budget.

050 TALBOTT: Comments that there is an appropriations bill "with blanks in it."

055 CHAIR KERANS: Discusses budget issues in regards to the ethics commission. Discusses sending SB 111 to the Senate Ways and Means committee. 066 SEN. BRYANT: Comments that he "might wish to talk to Sen. Johnson on fees." 077 CHAIR KERANS: Adjourns the meeting at 4:54 p.m.

Submitted by:

Reviewed by:

Tamara Brickman

Annette Talbott Assistant

Counsel EXHIBIT LOG A - Amendments to SB 159-5  
dated 3/18/93 - Committee Staff- 3 pages B - Proposed Amendment to SB 159-5 dated 3/18/93 - Committee Staff - 2 pages C - Memo to the Committee on the Budget Proposal for the Oregon Government Ethics Commission - Committee Staff- 2 pages D - Proposed Amendment to SB 111-3 - Committee Staff - 2 pages

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