

Policy Discussion 2:

Ethics Update

ETHICS LAW UPDATE

October 7, 2010

1. Statements of Economic Interest

- **Campaign Contributions.** Effective January 1, 2011, campaign contributors who file an SEI and make contributions totaling more than \$1000 to the Constitutional officer who appointed the contributor to his/her position on the covered board must list those contributions on the SEI. This reporting requirement applies only to the contributor who is filing the SEI and not to any immediate family member of the contributor. This is for your information only, as it only applies to gubernatorial appointees to the Boards of Trustees.
- **Certain Campaign Activities.** Effective January 1, 2011, members of the Board of Governors must disclose certain campaign activities with respect to the Constitutional officer who appointed them. Specifically, members must indicate whether or not they 1) collected contributions from multiple contributors and delivered them to the Constitutional officer who appointed them; 2) held a fundraiser either in their residence or business for the Constitutional officer who appointed them; or, 3) volunteered for any campaign activities for the Constitutional officer who appointed them. This is for your information only, as it only applies to gubernatorial appointees to the Boards of Trustees.
- **Online Filing.** Effective January 1, 2011, you no longer must swear to the SEI prior to filing. The elimination of this requirement will facilitate on line filing of the SEI. The State Ethics Commission received funding to develop and implement on line filing. Stay tuned.
- **Other Disclosures.** The following other disclosures have been added to the SEI:
 - Adds "sole proprietorships" to the list of business entities that must be disclosed
 - Clarifies that disclosure includes the name of each business for which the filer or the filer's immediate family is an employee, director, officer, partner, proprietor, or member or manager and whether those businesses have dealings or contracts with the State.
 - Allows filers to use the initials of unemancipated children living in the household. (Currently, only judicial officers are permitted to use initials. All other filers must give the child's first name.)

2. Education

The Ethics Commission received an appropriation to develop and implement online ethics education for public servants.

3. Gift Ban

Under current law, certain individuals are prohibited from giving gifts to legislators, legislative employees, and public servants unless a gift ban exception applies. These individuals are also prohibited from giving gifts “indirectly” – specifically giving the gift with the intent that the legislator, legislative employee, or public servant be the ultimate recipient. Effective December 1, 2010, House Bill 961 clarifies that an indirect gift includes those gifts where the legislator, legislative employee, or public servant is not the sole recipient. Thus, the indirect gift ban applies regardless of the number of individuals receiving the gift.

4. Additional Standards for Governor’s Appointees and State Agency Employees

Currently, the ethics law permits agency heads to adopt additional or supplemental ethical standards applicable to that particular agency. In addition, the Governor has adopted several Executive Orders mandating ethical standards for gubernatorial appointees to boards and employees in the Cabinet agencies and Governor’s Office.

Effective August 2, 2010, the Governor is further authorized to adopt additional ethical standards for gubernatorial appointees to boards and commissions, regardless of whether the board or commission is subject to the State Ethics Act. In addition, the Governor may also adopt ethical standards for any employee of a State agency.