

LEGISLATIVE UPDATE

TO: Commission Members

FROM: Virilindia Doss, Executive Director 

DATE: April 4, 2017

HJR 7001

HB 7003

HJR 7001 and HB 7003 are a Constitutional revision and bill, respectively, extending the prohibition on Legislators representing persons or entities before their former agencies from the current two years to six years after leaving office. Both measures have passed the House—HB 7003 has been referred to two committees in the Senate.

HB 7021

HB 7023

HB 7021 contains the Commission's recommendations on closing the conflicts loophole and requiring disclosure before a local elected officer participates in a measure on which he or she has a voting conflict. It also contains a version of Form 6 disclosure for local governing bodies: the bill as amended would require such enhanced disclosure for cities which have had more than \$10 million in revenue for three consecutive years. If their revenue drops below \$10 million for three years, their governing board members would revert back to Form 1.

The provision of this bill that would require the Commission on Ethics be responsible for registering all persons who want to lobby local government entities has been amended such that registration for one county would allow lobbying for all political subdivisions within that county. The bill was also amended to provide for staggered annual renewals of registrations—either the anniversary date of the registration, or the month of the lobbyist's birth, whichever the lobbyist chooses. PCB 7023 authorizes a trust fund for the fees the lobbyists would pay to register.

Both measures have passed the House.

HB 7083

This bill addresses ethics at the state level. It makes soliciting a job that creates a conflict a separate violation, and failure to report to one's agency an offer of a job that would create a conflict would also be a separate violation. The bill also requires private employers to report instances of an employee soliciting a job that would create a conflict.

The measure prohibits former legislators and statewide elected officers from representing persons before *any* state agency for six years. Agency directors employed on or after January 8, 2019, would be subject to the same prohibition. The law would not change for appointed state officers, who would continue to be prohibited from representing clients before their own agencies for two years after leaving office.

Current law gives a grandfathering exemption from the post-employment/officeholding restrictions to certain officers and employees; for example, employees employed before July 1, 1989. The bill eliminates those grandfathering provisions.

With some significant exceptions, the bill would prohibit state elected officers and legislators from soliciting jobs or investment advice "arising out of official or political activities engaged in" while an officer or legislator or candidate. It would also prohibit state elected officers and legislators from soliciting investment advice or entering into certain business relationships with lobbyists, and would require lobbyists to report it if a state elected officer or legislator solicited such advice or business relationship.

It requires state elected officers and legislators to file a statement with the Commission if they receive a job or a pay increase from an entity receiving state funds or a lobbyist or principal. They would also have to report any new employment arising from official or political activities. The Commission would be required to post the statement to its website.

The measure prohibits anyone who, after January 8, 2019, is in a position requiring financial disclosure or is a procurement employee, from asking for any job with any entity doing business with or regulated by the "agency employing" him or her, or from whom they could not solicit a gift. Exceptions would apply if the official had already served notice or had been terminated. Employees would have to notify their agencies if they received a job offer from a private company in the above category.

Finally, the bill makes a number of changes to executive branch lobbyist registration, many of which would streamline the process. The most substantive change is that instead of lobbyists being able to lobby *all* executive branch agencies for the \$25 we currently charge, effective July 1, 2017, they would have to specify the agencies they want to lobby, and would pay an initial fee of \$20, plus an additional \$5 for each agency selected.

This bill is in its second—and final—committee of reference in the House. There is no Senate companion.