

4/11/24. Vermont State Ethics Commission Comments on H.875

**§ 2414. CANDIDATES FOR STATE AND LEGISLATIVE OFFICE;
DISCLOSURE FORM**

Sec. 1. 17 V.S.A. § 2414(a)

(a) Each candidate for State office, county office, State Senator, or State Representative shall file with the officer with whom consent of candidate forms are filed, along with his or her the candidate's consent, a disclosure form prepared by the State Ethics Commission that contains the following information in regard to the previous calendar year 12 months:

(a) Each candidate for State office, county office, State Senator, or State Representative shall file with the officer with whom consent of candidate forms are filed, along with his or her the candidate's consent, a disclosure form drafted by the State Ethics Commission that contains the following information in regard to the previous calendar year 12 months:

Comment: This wording has led to confusion over the years regarding the Ethics Commission's responsibilities regarding the form. We'd like to clarify that our role is to draft the underlying form that is to be filled out.

Sec. 1. 17 V.S.A. § 2414 (a)(6) is amendment to read:

(6) a generalized description, but not amount, to the best of the candidate's knowledge, of the following investments held by a candidate or the candidate's spouse or domestic partner:
(A) publicly traded assets valued at \$25,000.00 or more, which a candidate exercises control over or has the ability to exercise control over, which shall be listed individually;
(B) interests in investment funds valued at \$25,000.00 or more, in which a candidate neither exercises control over nor has the ability to exercise control over the financial interests held by a fund, which shall be listed individually;
(C) interests in trusts valued at \$25,000.00 or more, which shall be listed individually; and
(D) municipal bonds issued in the State of Vermont of any value, which shall be listed individually; and
(E) the details of any loan made to the candidate or the candidate's spouse that is not a commercially reasonable loan made in the ordinary course of business; and

Comment: This amendment would close a loophole that was inadvertently opened in the draft that was approved by the House. New section 17 V.S.A. § 2414 (3) (B) was moved in the bill on the final draft in the House Gov Ops Committee. The provision now would require that the candidate disclose any commercially unreasonable loans that are given to companies owned by the candidate. In the migration, however, the language inadvertently omitted that the candidate, and spouse, must also disclose such loans if given directly.

Sec. 2. 3 V.S.A. § 1201(6)

(6) "County officer" means an individual holding the office of high bailiff or State's Attorney.

(6) "County officer" means the office of assistant judge of the Superior Court, high bailiff, judge of Probate, sheriff, or State's Attorney.

Comment: Strongly suggest not creating a new definition of County officer for the purposes of exempting certain categories of county officers but not others which is contrary to the purpose of ethics legislation. County office is defined in the bill as: "County office" means the office of assistant judge of the Superior Court, high bailiff, judge of Probate, sheriff, or State's Attorney." The last time

the bill was discussed in House Gov Ops it did not have this limited definition and we are unclear where it came from here.

Sec. 12. 3 V.S.A. § 1229 (f)(2)(A)

1) Notwithstanding any provisions of this chapter to the contrary, the Commission may, by a majority vote of its current members who have not recused themselves, enter into a resolution agreement with ~~the~~ a public servant.

(2) A resolution agreement shall:

- (A) include an agreed course of remedial action to be taken by the public servant;
- (B) be in writing;
- (C) be executed by both the public servant and Executive Director; and
- (D) be summarized by the Commission, which summary shall be a public record

subject to public inspection and copying under the Public Records Act.

(1) Notwithstanding any provisions of this chapter to the contrary, the Commission may, by a majority vote of its current members who have not recused themselves, enter into a resolution agreement with ~~the~~ a public servant who is the subject of a complaint or investigation.

(2) A resolution agreement shall:

- (A) include an agreed course of remedial action to be taken by the public servant;
- (B) be in writing;
- (C) be executed by both the public servant and Executive Director; and
- (D) shall be a public record subject to public inspection and copying under the Public Records Act.

(E) provided that, where the resolution agreement is entered into prior to a hearing or investigation, the resolution agreement be summarized by the Commission, and only the summary shall be public record subject to public inspection and copying under the Public Records Act.

Comment: We suggest the above language change to give respondents the opportunity to engage in resolution agreements during the early stages of the complaint process and maintain confidentiality as it relates to personally identifying information.

Sec. 15. 3 V.S.A. § 1221(b) is amended to read:

(b) Membership.

(1) The Commission shall be composed of the following ~~six~~ members:

(F) ~~one member, appointed by the Vermont League of Cities and Towns.~~

Sec. 15. 3 V.S.A. § 1221(b) is amended to read:

(b) Membership.

(1) The Commission shall be composed of the following **seven** members:

(F) **one member, appointed by the Legislature, who shall be a former municipal officer.**

(G) **one member, appointed by the Governor, who shall be a former municipal officer.**

Comment: The Ethics Commission asks that the reference to the Vermont League of Cities and Towns (VLCT) and replacing it with appointing authority for the Legislature and the Governor for two additional commissioners, both of whom shall be former municipal officers. This will have the effect helping to address constitutional questions regarding the nature of Ethics Commission appointments; maintaining an odd number of commissioners - important for voting purposes; and maintaining the

credibility of the Ethics Commission (while doubling municipal representation). The Ethics Commission voted to on this request March and it is a top priority for the Commission.