

1 Introduced by Committee on Government Operations

2 Date:

3 Subject: Executive; governmental ethics; State Ethics Commission; disclosures

4 Statement of purpose of bill as introduced: This bill proposes to impose

5 penalties on executive officers and candidates for State office who are

6 delinquent in filing financial disclosures and to require the State Ethics

7 Commission to provide recommendations for creating a statutory ethics

8 framework for municipalities.

9 An act relating to delinquent financial disclosure penalties and municipal
10 ethics framework

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 * * * Delinquent Executive Officer Disclosures * * *

13 Sec. 1. 3 V.S.A. chapter 31, subchapter 2 is amended to read:

14 Subchapter 2. Disclosures

15 § 1211. EXECUTIVE OFFICERS; ANNUAL DISCLOSURE

16 (a) Annually, each Executive officer shall file with the State Ethics

17 Commission a disclosure form that contains the following information in

18 regard to the previous 12 months:

19 (1) Each source, but not amount, of personal income of the Executive

20 officer and of ~~his or her~~ the Executive officer's spouse or domestic partner, and

1 of the Executive officer together with ~~his or her~~ the Executive officer's spouse
2 or domestic partner, that totals more than \$5,000.00, including any of the
3 sources meeting that total described as follows:

4 * * *

5 (2) Any board, commission, or other entity that is regulated by law or
6 that receives funding from the State on which the Executive officer served and
7 the Executive officer's position on that entity.

8 (3) Any company of which the Executive officer or ~~his or her~~ the
9 Executive officer's spouse or domestic partner, or the Executive officer
10 together with ~~his or her~~ the Executive officer's spouse or domestic partner,
11 owned more than 10 percent.

12 (4) Any lease or contract with the State held or entered into by:

13 (A) the Executive officer or ~~his or her~~ the Executive officer's spouse
14 or domestic partner; or

15 (B) a company of which the Executive officer or ~~his or her~~ the
16 Executive officer's spouse or domestic partner, or the Executive officer
17 together with ~~his or her~~ the Executive officer's spouse or domestic partner,
18 owned more than 10 percent.

19 (b) In addition, if an Executive officer's spouse or domestic partner is a
20 lobbyist, the Executive officer shall disclose that fact and provide the name of

1 ~~his or her~~ the Executive officer's spouse or domestic partner and, if applicable,
2 the name of ~~his or her~~ the spouse's or domestic partner's lobbying firm.

3 (c)(1) Disclosure forms shall contain the statement, "I certify that the
4 information provided on all pages of this disclosure form is true to the best of
5 my knowledge, information, and belief."

6 (2) Each Executive officer shall sign ~~his or her~~ a disclosure form in
7 order to certify it in accordance with this subsection.

8 (d)(1) An Executive officer shall file ~~his or her~~ a disclosure on or before
9 January 15 of each year or, if ~~he or she~~ the Executive officer is appointed after
10 January 15, within 10 days after that appointment.

11 (2) An Executive officer who filed this disclosure form as a candidate in
12 accordance with 17 V.S.A. § 2414 in the preceding year and whose disclosure
13 information has not changed since that filing may update that filing to indicate
14 that there has been no change.

15 * * *

16 § 1214. FAILURE TO FILE; PENALTIES

17 (a) An Executive officer's failure to file a disclosure within the time frame
18 set forth in subdivision 1211(d)(1) of this subchapter shall be addressed as
19 follows:

1 (1) The State Ethics Commission shall issue a notice of delinquency to
2 an Executive officer for any disclosure required within the time frame set forth
3 in subdivision 1211(d)(1) of this subchapter.

4 (2) Following the Commission issuing a notice of delinquency to the
5 Executive officer, the Executive officer shall have five working days from the
6 date of issuance of notice to cure the delinquency.

7 (3) Beginning six working days from the date following the issuance of
8 the notice of delinquency, the Executive officer shall be assessed a \$10.00
9 penalty for each day thereafter that the disclosure remains delinquent;
10 provided, however, that in no event shall the amount of any penalty imposed
11 under this subdivision exceed \$1,000.00.

12 (4) The Commission shall send a notice of delinquency to the Executive
13 officer's State of Vermont e-mail address. If the Executive officer is no longer
14 employed with the State of Vermont, the Commission shall send a notice of
15 delinquency using the Executive officer's last known contact information.

16 (5) Not later than 15 business days prior to the due date of a disclosure
17 required by subdivision 1211(d)(1) of this subchapter, and on a quarterly basis
18 thereafter, the Department of Human Resources shall provide the Commission
19 with a list of all Executive officers required to file a disclosure. The list shall
20 include the name, agency or department, title, and State of Vermont e-mail
21 address of each Executive officer required to file a disclosure.

1 (6) The Commission may reduce or waive any penalty imposed under
2 this section if the Executive officer demonstrates good cause, as determined by
3 the Commission and in the sole discretion of the Commission.

4 (b) The Commission may avail itself of remedies available under the
5 Vermont Setoff Debt Collection Act, as set forth in 32 V.S.A., chapter 151,
6 subchapter 12, to collect any unpaid penalty.

7 (c) Any Executive officer who fails to file a disclosure required under this
8 subchapter with the intent to defraud, falsify, conceal, or cover up a material
9 fact, or who files a disclosure with false, incomplete, or misleading
10 information with the intent to defraud, falsify, conceal, or cover up a material
11 fact, shall have made a false claim in violation of 13 V.S.A. § 3016. In
12 interpreting this subchapter, any information required to be disclosed in a
13 disclosure shall be deemed a material fact.

14 (d) Complaints regarding any Executive officer who fails to file a
15 disclosure required under this subchapter with the intent to defraud, falsify,
16 conceal, or cover up a material fact, or who files a disclosure with false,
17 incomplete, or misleading information with the intent to defraud, falsify,
18 conceal, or cover up a material fact, may be filed with the Office of the
19 Attorney General, or with the Commission and referred to the Office of the
20 Attorney General, for investigation.

1 (e) The Attorney General shall notify the Commission within 10 days
2 following receipt of a complaint under this subchapter, and, within 90 days
3 following receipt of a complaint, shall file a report with the Executive Director
4 of the Commission with the results of any investigation undertaken under this
5 subchapter or, if the Attorney General declines to initiate an investigation, a
6 summary of the reasons why an investigation was not initiated.

7 * * * Delinquent Disclosures for Candidates for State Office * * *
8 Sec. 2. 17 V.S.A. chapter 49, subchapter 4 (miscellaneous provisions) is
9 amended to read:

10 Subchapter 4. Miscellaneous Provisions

11 * * *

12 § 2414. CANDIDATES FOR STATE AND LEGISLATIVE OFFICE;
13 DISCLOSURE FORM

14 * * *

15 (d)(1) A senatorial district clerk or representative district clerk who
16 receives a disclosure form under this section shall forward a copy of the
17 disclosure to the Secretary of State within three business days ~~of~~ after
18 receiving it.

19 (2)(A) The Secretary of State shall post a copy of any disclosure forms
20 and tax returns ~~he or she~~ the Secretary receives under this section on ~~his or her~~
21 the Secretary's official State website and forward a copy of disclosures made

1 by candidates for State office to the State Ethics Commission. The forms shall
2 remain posted on the Secretary’s website until the date of the filing deadline
3 for petition and consent forms for major party candidates for the statewide
4 primary in the following election cycle.

5 * * *

6 § 2415. FAILURE TO FILE; PENALTIES

7 (a) If any disclosure required of a candidate for State office by section 2414
8 of this title is not filed by the time frames set forth in sections 2356, 2361, and
9 2402 of this title, the candidate for State office shall be addressed as follows:

10 (1) The State Ethics Commission shall issue a notice of delinquency to
11 the candidate for State office for any disclosure required of a candidate for
12 State office by section 2414 of this title is not filed by the time frames set forth
13 in sections 2356, 2361, and 2402 of this title.

14 (2) Following notice of delinquency sent by the State Ethics
15 Commission to the candidate for State office, the candidate for State office
16 shall have five working days from the date of the issuance of the notice to cure
17 the delinquency.

18 (3) Beginning six working days from the date of notice, the delinquent
19 candidate for State office shall pay a \$10.00 penalty for each day thereafter
20 that the disclosure remains delinquent; provided, however, that in no event

1 shall the amount of any penalty imposed under this subdivision exceed
2 \$1,000.00.

3 (4) The State Ethics Commission may reduce or waive any penalty
4 imposed under this section if the candidate for State office demonstrates good
5 cause, as determined by the State Ethics Commission and in the sole discretion
6 of the State Ethics Commission.

7 (b) The Commission shall send a notice of delinquency to the e-mail
8 address provided by the candidate for State office in their consent of candidate
9 form.

10 (c) The State Ethics Commission may avail itself of remedies available
11 under the Vermont Setoff Debt Collection Act, as set forth in 32 V.S.A.,
12 chapter 151, subchapter 12, to collect any unpaid penalty.

13 (d) Any candidate for State office who fails to file a disclosure required
14 under this subchapter with intent to defraud, falsify, conceal, or cover up a
15 material fact, or who files a disclosure with false, incomplete, or misleading
16 information with intent to defraud, falsify, conceal, or cover up a material fact,
17 shall be in violation of 13 V.S.A. § 3016. In interpreting this statute, any
18 information required to be disclosed in a disclosure shall be deemed a material
19 fact.

20 (e) Complaints regarding any candidate for State office who fails to file a
21 disclosure required under this subchapter with intent to defraud, falsify,

1 conceal, or cover up a material fact, or who files a disclosure with false,
2 incomplete, or misleading information with intent to defraud, falsify, conceal,
3 or cover up a material fact, may be filed with the Office of the Attorney
4 General, or with the State Ethics Commission and referred to the Office of the
5 Attorney General, for investigation.

6 (f) The Attorney General shall notify the State Ethics Commission within
7 10 days after receipt after a complaint under this subchapter, and, within
8 90 days after receipt of a complaint, shall file a report with the Executive
9 Director of the State Ethics Commission with the results of any investigation
10 undertaken under this subchapter or, if the Attorney General declines to initiate
11 an investigation, a summary of the reasons why an investigation was not
12 initiated.

13 * * * Report on Municipal Ethics * * *

14 Sec. 3. REPORT ON MUNICIPAL ETHICS

15 On or before January 15, 2024, the State Ethics Commission shall report to
16 the House Committee on Government Operations and Military Affairs and the
17 Senate Committee on Government Operations with its recommendations for
18 creating a framework for municipal ethics in Vermont. The report shall
19 include a summary of the issues related to creating a framework for municipal
20 ethics in Vermont and a summary of any relevant input received by the
21 Commission in drafting the report. The report shall include specific

1 recommendations on how to best provide cities and towns with informational
2 resources about basic ethics practices. In drafting the report, the Commission
3 may consult with any person it deems necessary to conduct a full and complete
4 analysis of the issue of municipal ethics, including the Vermont League of
5 Cities and Towns and the Office of the Secretary of State.

6 * * * Effective Date * * *

7 Sec. 4. EFFECTIVE DATE

8 This act shall take effect on passage.