

**DRAFT; NOT YET EDITED; FOR COMMITTEE DISCUSSION**

**Key:** 1) ~~Potentially remove from bill~~; 2) Potentially add to bill

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Government Operations to which was referred Senate  
3 Bill No. 8 entitled “An act relating to establishing the State Ethics Commission  
4 and standards of governmental ethical conduct” respectfully reports that it has  
5 considered the same and recommends that the House propose to the Senate that  
6 the bill be amended by striking out all after the enacting clause and inserting in  
7 lieu thereof the following:

8 \* \* \* Former Legislators and Executive Officers; Lobbying Restriction \* \* \*

9 Sec. 1. 2 V.S.A. § 266 is amended to read:

10 § 266. PROHIBITED CONDUCT

11 \* \* \*

12 (b)(1) A legislator or an Executive officer, for one year after leaving office,  
13 shall not be a lobbyist in this State.

14 (2) The prohibition set forth in subdivision (1) of this subsection shall  
15 not apply to a lobbyist exempted under section 262 of this chapter.

16 (c) As used in this section, “candidate’s:

17 (1) “Candidate’s committee,” “contribution,” and “legislative leadership  
18 political committee” shall have the same meanings as in 17 V.S.A. § 2901  
19 chapter 61 (campaign finance).

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1           (2) “Executive officer” means:

2                   (A) the Governor, Lieutenant Governor, Treasurer, Secretary of  
3           State, Auditor of Accounts, or Attorney General; or

4                   (B) under the Office of the Governor, an agency secretary or deputy  
5           or a department commissioner or deputy.

6                   \* \* \* Former Executive Officers; Postemployment Restrictions \* \* \*

7           Sec. 2. 3 V.S.A. § 267 is added to read:

8           § 267. EXECUTIVE OFFICERS; POSTEMPLOYMENT RESTRICTIONS

9                   (a) Prior participation while in State employ.

10                   (1) An Executive officer, for one year after leaving office, shall not, for  
11           pecuniary gain, be an advocate for any private entity before any public body or  
12           the General Assembly or its committees regarding any particular matter in  
13           which:

14                   (A) the State is a party or has a direct and substantial interest; and

15                   (B) the Executive officer had participated personally and  
16           substantively while in State employ.

17                   (2) The prohibition set forth in subdivision (1) of this subsection applies  
18           to any matter the Executive officer directly handled, supervised, or managed,  
19           or gave substantial input, advice, or comment, or benefited from, either  
20           through discussing, attending meetings on, or reviewing materials prepared  
21           regarding the matter.

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1        (b) Prior official responsibility. An Executive officer, for one year after  
2        leaving office, shall not, for pecuniary gain, be an advocate for any private  
3        entity before any public body or the General Assembly or its committees  
4        regarding any particular matter in which the officer had exercised any official  
5        responsibility.

6        (c) Exemption. The prohibitions set forth in subsections (a) and (b) of this  
7        section shall not apply if the former Executive officer’s only role as an  
8        advocate would exempt that former officer from registration and reporting  
9        under 2 V.S.A. § 262.

10       (d) Public body enforcement. A public body shall disqualify a former  
11       Executive officer from his or her appearance or participation in a particular  
12       matter if the officer’s appearance or participation is prohibited under this  
13       section.

14       (e) Definitions. As used in this section:

15            (1) “Advocate” means a person who assists, defends, or pleads.

16            (2) “Executive officer” means:

17                    (A) the Governor, Lieutenant Governor, Treasurer, Secretary of  
18                    State, Auditor of Accounts, or Attorney General; or

19                    (B) under the Office of the Governor, an agency secretary or deputy  
20                    or a department commissioner or deputy.

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1           (3) “Private entity” means any person, corporation, partnership, joint  
2           venture, or association, whether organized for profit or not for profit, except  
3           one specifically chartered by the State of Vermont or that relies upon taxes for  
4           at least 50 percent of its revenues.

5           (4) “Public body” means any agency, department, division, or office and  
6           any board or commission of any such entity, or any independent board or  
7           commission, in the Executive Branch of the State.

8           \* \* \* State Office and Legislative Candidates; Disclosure Form \* \* \*

9           Sec. 3. 17 V.S.A. § 2414 is added to read:

10          § 2414. CANDIDATES FOR STATE AND LEGISLATIVE OFFICE;

11                   DISCLOSURE FORM

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

17               (1) Each source, but not amount, of personal taxable income of the  
18          candidate and of his or her spouse that totals more than \$10,000.00, ranked in  
19          order from highest to lowest income, including any of the following sources  
20          meeting that total ~~described as follows~~:

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1           (A) employment, including the employer or business name and  
2           address and, if self-employed, a description of the nature of the  
3           self-employment without needing to disclose any individual clients;

4           (B) investment income; and

5           (C) a lease or contract with the State held or entered into by:

6                   (i) the candidate or his or her spouse; or

7                   (ii) a company ~~of~~ **in** which the candidate or his or her spouse, or  
8           the candidate together with his or her spouse, ~~owned more than 10 percent~~ **had**  
9           **an ownership interest.**

10           (2) Any board, commission, association, or other entity on which the  
11           candidate served and a description of that position.

12           (3) Any company of which the candidate or his or her spouse, or the  
13           candidate together with his or her spouse, owned more than 10 percent.

14           (b)(1) In addition, if a candidate's spouse is a lobbyist, the candidate shall  
15           disclose that fact and provide the name of his or her spouse.

16           (2) In this subsection, "lobbyist" shall have the same meaning as in  
17           **2 V.S.A. § 261.** ~~each candidate for State office shall attach to the disclosure~~  
18           ~~form described in subsection (a) of this section a copy of his or her most recent~~  
19           ~~U.S. Individual Income Tax Return Form 1040; provided, however, that the~~  
20           ~~candidate may redact from that form the following information:~~

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1           ~~(1) the candidate's social security number and that of his or her spouse,~~  
2           ~~if applicable;~~

3           ~~(2) the names of any dependent and the dependent's social security~~  
4           ~~number; and~~

5           ~~(3) the signature of the candidate and that of his or her spouse, if~~  
6           ~~applicable.~~

7           (c)(1) A senatorial district clerk or representative district clerk who  
8           receives a disclosure form under this section shall forward a copy of the  
9           disclosure to the Secretary of State within three business days of receiving it.

10           ~~(2)(A)~~ The Secretary of State shall post a copy of any disclosure forms  
11           ~~and tax returns~~ he or she receives under this section on his or her official State  
12           website.

13           ~~(B) Prior to posting, the Secretary shall redact from a tax return the~~  
14           ~~information permitted to be redacted under subsection (b) of this section, if the~~  
15           ~~candidate fails to do so.~~

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1           \* \* \* Campaign Finance; Contractor Contribution Restrictions \* \* \*

2           Sec. 4. 17 V.S.A. § 2950 is added to read:

3           § 2950. STATE OFFICERS AND STATE OFFICE CANDIDATES;

4                     CONTRACTOR CONTRIBUTION RESTRICTIONS

5           (a) Contributor restrictions on contracting.

6                     (1) A person or his or her principal or spouse who makes a contribution  
7           to a State officer or a candidate for a State office shall not enter into a sole  
8           source contract valued at \$50,000.00 or more or multiple sole source contracts  
9           valued in the aggregate at \$100,000.00 or more with that State office or with  
10           the State on behalf of that office within one year following:

11                     (A) that contribution, if the contribution was made to the incumbent  
12           State officer; or

13                     (B) the beginning of the term of the office, if the contribution was  
14           made to a candidate for the State office who is not the incumbent.

15                     (2) The prohibition set forth in subdivision (1) of this subsection shall  
16           ~~*only apply if the person to whom the contribution was made holds the office*~~  
17           ~~*during the timeframe of the prohibition*~~ end after the applicable one-year  
18           period described in subdivision (1) or upon the State officer vacating the  
19           office, whichever occurs first.

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1        (b) Contractor restrictions on contributions.

2                (1)(A) A person who enters into a sole source contract valued at  
3        \$50,000.00 or more or multiple sole source contracts valued in the aggregate at  
4        \$100,000.00 or more with the office of a State officer or with the State on  
5        behalf of that office, or that person’s principal or spouse, shall not make a  
6        contribution to a candidate for that State office or to that State officer.

7                (B) The candidate for State office or his or her candidate’s committee  
8        or the State officer shall not solicit or accept a contribution from a person if  
9        that candidate, candidate’s committee, or State officer knows the person is  
10       prohibited from making that contribution under this subdivision (1).

11               (2) The prohibitions set forth in subdivision (1) of this subsection shall  
12       be limited to a period beginning from the date of execution of the contract and  
13       ending with the completion of the contract.

14        (c) As used in this section:

15               (1) “Contract” means a “contract for services,” as that term is defined in  
16        3 V.S.A. § 341.

17               (2) “Person’s principal” means an individual who:

18               (A) has a controlling interest in the person, if the person is a business  
19       entity;

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1           (B) is vested with the authority to conduct, manage, or supervise the  
2           business affairs of the person, if the person is a ~~for-profit~~ business entity that is  
3           not organized under Section 501(c)(3) of the Internal Revenue Code; or

4           (C) is an employee of the person and has direct, extensive, and  
5           substantive responsibilities with respect to the negotiation of the contract.

6           **OPTION A:**

7           ~~Sec. 4a. 3 V.S.A. § 347 is added to read:~~

8           ~~§ 347. CONTRACTOR CONTRIBUTION RESTRICTIONS~~

9           ~~The Secretary of Administration shall include in Administrative Bulletin 3.5~~  
10          ~~a notice regarding the contractor contribution restrictions set forth in~~  
11          ~~17 V.S.A. § 2950.~~

12          **OPTION B:**

13          Sec. 4a. 3 V.S.A. § 347 is added to read:

14          § 347. CONTRACTOR CONTRIBUTION RESTRICTIONS

15          The Secretary of Administration shall include in the terms and conditions of  
16          Administrative Bulletin 3.5 a notice regarding self-certification of compliance  
17          with the contractor contribution restrictions set forth in 17 V.S.A. § 2950.



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1 Sec. 6. 17 V.S.A. § 2904a is added to read:

2 § 2904a. REPORTS TO STATE ETHICS COMMISSION

3 Upon receipt of a complaint made in regard to a violation of this chapter or  
4 of any rule made pursuant to this chapter, the Attorney General or a State’s  
5 Attorney shall:

6 (1) Forward a copy of the complaint to the State Ethics Commission  
7 established in 3 V.S.A. chapter 31. The Attorney General or State’s Attorney  
8 shall provide this information to the Commission within 10 days of his or her  
9 receipt of the complaint.

10 (2) File a report with the Commission regarding his or her decision as to  
11 whether to bring an enforcement action as a result of that complaint. The  
12 Attorney General or State’s Attorney shall make this report within 10 days of  
13 that decision.

14 Sec. 7. 3 V.S.A. Part 1, chapter 31 is added to read:

15 CHAPTER 31. GOVERNMENTAL ETHICS

16 Subchapter 1. General Provisions

17 § 1201. DEFINITIONS

18 As used in this chapter:

19 (1) “Candidate” and “candidate’s committee” shall have the same  
20 meanings as in 17 V.S.A. § 2901.

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1           (2) “Commission” means the State Ethics Commission established  
2 under subchapter 3 of this chapter.

3           (3) “Executive officer” means:

4                   (A) a State officer; or

5                   (B) under the Office of the Governor, an agency secretary or deputy  
6 or a department commissioner or deputy.

7           (4)(A) “Gift” means anything of value, tangible or intangible, that is  
8 bestowed for less than adequate consideration.

9                   (B) “Gift” does not mean printed educational material such as books,  
10 reports, pamphlets, or periodicals.

11           (5) “Governmental conduct regulated by law” means conduct by an  
12 individual in regard to the operation of State government that is restricted or  
13 prohibited by law and includes:

14                   (A) bribery pursuant to 13 V.S.A. § 1102;

15                   (B) neglect of duty by public officers pursuant to 13 V.S.A. § 3006  
16 and by members of boards and commissions pursuant to 13 V.S.A. § 3007;

17                   (C) taking illegal fees pursuant to 13 V.S.A. § 3010;

18                   (D) false claims against government pursuant to 13 V.S.A. § 3016;

19                   (E) owning or being financially interested in an entity subject to a  
20 department’s supervision pursuant to ~~3 V.S.A. §~~ section 204 of this title;

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1            (F) failing to devote time to duties of office pursuant to  
2            section 205 of this title;

3            (G) engaging in retaliatory action due to a State employee’s  
4            involvement in a protected activity pursuant to subchapter 4A of chapter 27 of  
5            this title;

6            (H) a former legislator or former Executive officer serving as a  
7            lobbyist pursuant to 2 V.S.A. § 266(b); and

8            ~~(H)~~(I) a former Executive officer serving as an advocate pursuant to  
9            section 267 of this title.

10           ~~(5)~~(6) “Lobbyist” shall have the same meaning as in 2 V.S.A. § 261.

11           ~~(6)~~(7) “Political committee” and “political party” shall have the same  
12           meanings as in 17 V.S.A. § 2901.

13           ~~(7)~~(8) “State officer” means the Governor, Lieutenant Governor,  
14           Treasurer, Secretary of State, Auditor of Accounts, or Attorney General.

15           § 1202. STATE CODE OF ETHICS

16           The Ethics Commission, in consultation with the Department of Human  
17           Resources, shall create and maintain a State Code of Ethics that sets forth  
18           general principles of governmental ethical conduct.



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1           (3) Any company of which the officer or his or her spouse, or the officer  
2 together with his or her spouse, owned more than 10 percent.

3           **(b)(1) In addition, if an Executive Officer's spouse is a lobbyist, the**  
4 **Executive Officer shall disclose that fact and provide the name of his or her**  
5 **spouse.**

6           **(2) In this subsection, "lobbyist" shall have the same meaning as in**  
7 **2 V.S.A. § 261.**

8           **(c)(1) An officer shall file his or her disclosure on or before January 15 of**  
9 **the odd-numbered year or, if he or she is appointed after January 15, within**  
10 **10 days after that appointment.**

11           **(2) An 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           § 1212. COMMISSION MEMBERS; BIENNIAL DISCLOSURE

16           (a) Biennially, each member of the State Ethics Commission shall file with  
17 the Executive Director of the Commission a disclosure form that contains the  
18 information that Executive officers are required to disclose under section 1211  
19 of this subchapter.

20           (b) A member shall file his or her disclosure on or before January 15 of the  
21 first year of his or her appointment or, if the member is appointed after

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1 January 15, within 10 days after that appointment, and shall file subsequent  
2 disclosures biennially thereafter.

3 § 1213. DISCLOSURES; GENERALLY

4 (a) The Executive Director of the Commission shall prepare on behalf of  
5 the Commission any disclosure form required to be filed with it and the  
6 candidate disclosure form described in 17 V.S.A. § 2414, and shall make those  
7 forms available on the Commission’s website.

8 (b) The Executive Director shall post a copy of any disclosure form the  
9 Commission receives on the Commission’s website.

10 Subchapter 3. State Ethics Commission

11 § 1221. STATE ETHICS COMMISSION

12 (a) Creation. There is created within the Executive Branch an independent  
13 commission named the State Ethics Commission to accept, review, make  
14 referrals regarding, and track complaints of alleged violations of governmental  
15 conduct regulated by law, of the Department of Human Resources Code of  
16 Ethics, and of the State’s campaign finance law set forth in  
17 17 V.S.A. chapter 61; to provide ethics training; and to issue advisory opinions  
18 regarding ethical conduct.

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1        (b) Membership.

2            (1) The Commission shall be composed of ~~the following~~ five members

3 who shall be appointed by the Governor with the advice and consent of the

4 Senate.

5            (2) Not more than two of the members shall be from the same political

6 party.

7            (3) One of the members shall be appointed Chair of the Commission,

8 who shall have a background or expertise in ethics.

9            ~~(A) a chair of the Commission, who shall be appointed by the Chief~~

10 ~~Justice of the Supreme Court;~~

11            ~~(B) one member appointed by the Board of Directors of the Vermont~~

12 ~~affiliate of the American Civil Liberties Union, who shall be a member of the~~

13 ~~Board or an employee of that Vermont affiliate;~~

14            ~~(C) one member appointed by the Board of Directors of the Vermont~~

15 ~~Society of Certified Public Accountants, who shall be a member of the Society;~~

16            ~~(D) one member appointed by the Board of Managers of the Vermont~~

17 ~~Bar Association, who shall be a member of the Association; and~~

18            ~~(E) one member appointed by the Board of Directors of the Vermont~~

19 ~~Human Resource Association, who shall be a member of the Association.~~

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1           (2) A member shall not:

2                   (A) hold any office in the Legislative, Executive, or Judicial Branch  
3 of State government or otherwise be employed by the State;

4                   (B) hold or enter into any lease or contract with the State, or have a  
5 controlling interest in a company that holds or enters into a lease or contract  
6 with the State;

7                   (C) be a lobbyist;

8                   (D) be a candidate for State or legislative office; or

9                   (E) hold any office in a State or legislative office candidate's  
10 committee, a political committee, or a political party.

11           (3) A member may be removed for cause by the remaining members  
12 of the Commission in accordance with the Vermont Administrative  
13 Procedure Act.

14           (4)(A) A member shall serve a term of three years and until a successor  
15 is appointed. A term shall begin on January 1 of the year of appointment and  
16 run through December 31 of the last year of the term. Terms of members shall  
17 be staggered so that not all terms expire at the same time.

18                   (B) A vacancy created before the expiration of a term shall be filled  
19 in the same manner as the original appointment for the unexpired portion of the  
20 term.

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1           (C) A member shall not serve more than two consecutive terms. A  
2           member appointed to fill a vacancy created before the expiration of a term shall  
3           not be deemed to have served a term for the purpose of this subdivision (C).

4           (c) Executive Director.

5           (1) The Commission shall be staffed by an Executive Director who shall  
6           be appointed by and serve at the pleasure of the Commission and who shall be  
7           a part-time exempt State employee.

8           (2) The Executive Director shall maintain the records of the  
9           Commission and shall provide administrative support as requested by the  
10          Commission, in addition to any other duties required by this chapter.

11          (d) Confidentiality. The Commission and the Executive Director shall  
12          maintain the confidentiality required by this chapter.

13          (e) Meetings. Meetings of the Commission:

14                 (1) shall be held at least quarterly for the purpose of the Executive  
15                 Director updating the Commission on his or her work;

16                 (2) may be called by the Chair and shall be called upon the request of  
17                 any other two Commission members; and

18                 (3) shall be conducted in accordance with 1 V.S.A. § 172.

19          (f) Reimbursement. Each member of the Commission shall be entitled to  
20          per diem compensation and reimbursement of expenses pursuant to  
21          32 V.S.A. § 1010.

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1     § 1222. COMMISSION MEMBER DUTIES AND PROHIBITED

2             CONDUCT

3             (a) Conflicts of interest.

4                 (1) Prohibition; recusal.

5                     (A) A Commission member shall not participate in any Commission  
6 matter in which he or she has a conflict of interest and shall recuse himself or  
7 herself from participation in that matter.

8                     (B) The failure of a Commission member to recuse himself or herself  
9 as described in subdivision (A) of this subdivision (1) may be grounds for the  
10 Commission to discipline or remove that member.

11                 (2) Disclosure of conflict of interest.

12                     (A) A Commission member who has reason to believe he or she has a  
13 conflict of interest in a Commission matter shall disclose that he or she has that  
14 belief and disclose the nature of the conflict of interest. Alternatively, a  
15 Commission member may request that another Commission member recuse  
16 himself or herself from a Commission matter due to a conflict of interest.

17                     (B) Once there has been a disclosure of a member's conflict of  
18 interest, members of the Commission shall be afforded the opportunity to ask  
19 questions or make comments about the situation to address the conflict.

20                     (C) A Commission member may be prohibited from participating in a  
21 Commission matter by the remaining members of the Commission.

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1           (3) ~~Post-recusal~~ or -prohibition procedure. A Commission member who  
2           has recused himself or herself or was prohibited from participating ~~on~~ in a  
3           Commission matter shall not sit or deliberate with the Commission ~~on that~~  
4           ~~matter~~ or otherwise act as a Commission member on that matter, ~~but may~~  
5           participate in that matter as a member of the public.

6           (4) Definition. As used in this subsection, “conflict of interest” means  
7           an interest of a member that is in conflict with the proper discharge of his or  
8           her official duties due to a significant personal or financial interest of the  
9           member, of a person within the member’s immediate family, or of the  
10          member’s business associate. “Conflict of interest” does not include any  
11          interest that is not greater than that of any other persons generally affected by  
12          the outcome of a matter.

13          (b) Gifts. A Commission member shall not accept a gift given by virtue of  
14          his or her membership on the Commission.

15          § 1223. PROCEDURE FOR HANDLING COMPLAINTS

16          (a) Accepting complaints. On behalf of the Commission, the Executive  
17          Director shall accept complaints from any source regarding governmental  
18          ethics in any of the three branches of State government or of the State’s  
19          campaign finance law set forth in 17 V.S.A. chapter 61. Complaints shall be  
20          in writing.

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1        (b) Preliminary review by Executive Director. The Executive Director  
2        shall conduct a preliminary review of complaints made to the Commission in  
3        order to take action as set forth in this subsection, which shall include  
4        submitting complaints to all relevant entities.

5                (1) Governmental conduct regulated by law. If the ~~Executive Director~~  
6        finds that a State officer or employee may have committed a violation of  
7        governmental conduct regulated by law, the ~~Executive Director shall submit~~  
8        the complaint to the Commission for its review as set forth in subsection (c) of  
9        this section complaint alleges a violation of governmental conduct regulated by  
10        law, the Executive Director shall refer the complaint to the Attorney General  
11        and the State's Attorney of jurisdiction and shall request a report back from  
12        those two officers regarding the final disposition of the complaint.

13                (2) Department of Human Resources Code of Ethics.

14                (A) If the complaint alleges a violation of the Department of Human  
15        Resources Code of Ethics, the Executive Director shall refer the complaint to  
16        the Commissioner of Human Resources.

17                (B) The Commissioner shall report back to the Executive Director  
18        regarding the final disposition of a complaint referred under subdivision (A) of  
19        this subdivision (2) within 10 days of that final disposition.

**DRAFT; NOT YET EDITED; FOR COMMITTEE DISCUSSION**

**Key:** 1) ~~Potentially remove from bill~~; 2) Potentially add to bill

1           (3) Campaign finance.

2           (A) If the complaint alleges a violation of campaign finance law, the  
3           Executive Director shall refer the complaint to the Attorney General or to the  
4           State’s Attorney of jurisdiction, as appropriate.

5           (B) The Attorney General or State’s Attorney shall file a report with  
6           the Executive Director regarding his or her decision as to whether to bring an  
7           enforcement action as a result of a complaint referred under subdivision (A) of  
8           this subdivision (3) as set forth in 17 V.S.A. § 2904a.

9           (4) Legislative and Judicial Branches; attorneys.

10           (A) If the complaint is in regard to conduct committed by a State  
11           Senator, the Executive Director shall refer the complaint to the Senate Ethics  
12           Panel and shall request a report back from the Panel regarding the final  
13           disposition of the complaint.

14           (B) If the complaint is in regard to conduct committed by a State  
15           Representative, the Executive Director shall refer the complaint to the House  
16           Ethics Panel and shall request a report back from the Panel regarding the final  
17           disposition of the complaint.

18           (C) If the complaint is in regard to conduct committed by a judicial  
19           officer, the Executive Director shall refer the complaint to the Judicial Conduct  
20           Board and shall request a report back from the Board regarding the final  
21           disposition of the complaint.

**DRAFT; NOT YET EDITED; FOR COMMITTEE DISCUSSION**

**Key:** 1) ~~Potentially remove from bill~~; 2) Potentially add to bill

1           (D) If the complaint is in regard to an attorney employed by the State,  
2           the Executive Director shall refer the complaint to the Professional  
3           Responsibility Board and shall request a report back from the Board regarding  
4           the final disposition of the complaint.

5           (E) If any of the complaints described in subdivisions (A)–(D) of this  
6           subdivision (4) also allege that a crime has been committed, the Executive  
7           Director shall also refer the complaint to the Attorney General and the State’s  
8           Attorney of jurisdiction.

9           (5) Closures. The Executive Director shall close any complaint that he  
10          or she does not submit or refer as set forth in subdivisions (1)–(4) of this  
11          subsection.

12          (c) ~~Commission reviews and referrals:~~

13           ~~(1) For any complaint regarding an alleged violation of governmental~~  
14           ~~conduct regulated by law that the Executive Director submits to it under~~  
15           ~~subdivision (b)(1) of this section, the Commission shall meet to review the~~  
16           ~~complaint. This meeting shall not be open to the public and is exempt from the~~  
17           ~~requirements of the Open Meeting Law.~~

18           ~~(2)(A) If, after its review, the Commission finds that there may have~~  
19           ~~been a violation of governmental conduct regulated by law, it shall refer the~~  
20           ~~complaint to the Attorney General and the State’s Attorney of jurisdiction.~~

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1           ~~(B) If, after its review, the Commission finds that there has not been~~  
2           ~~a violation of governmental conduct regulated by law, it shall close the~~  
3           ~~complaint.~~

4           ~~(d)~~ Confidentiality. Complaints and related documents in the custody of  
5           the Commission shall be exempt from public inspection and copying under the  
6           Public Records Act and kept confidential.

7           § 1224. COMMISSION ETHICS TRAINING

8           At least annually, in collaboration with the Department of Human  
9           Resources, the Commission shall make available to ~~legislators,~~ State officers,  
10          and State employees training on issues related to governmental ethics. The  
11          training shall include topics related to those covered in any guidance issued  
12          under section 1225 of this subchapter.

13          § 1225. EXECUTIVE DIRECTOR ~~ADVISORY OPINIONS~~ GUIDANCE

14          (a)(1) The Executive Director may issue to an Executive officer or other  
15          State employee, upon his or her request, ~~an advisory opinion~~ guidance  
16          regarding any provision of this chapter or any issue related to governmental  
17          ethics.

18          (2) The Executive Director may consult with members of the  
19          Commission ~~and the Department of Human Resources~~ in preparing ~~an~~  
20          ~~advisory opinion~~ this guidance.





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**Key:** 1) ~~Potentially remove from bill~~; 2) **Potentially add to bill**

1           ~~(A) the Chief Justice of the Supreme Court shall appoint the Chair for~~  
2           ~~a three year term;~~

3           ~~(B) the Vermont affiliate of the American Civil Liberties Union shall~~  
4           ~~appoint a member for a two year term;~~

5           ~~(C) the Board of Directors of the Vermont Society of Certified Public~~  
6           ~~Accountants shall appoint a member for a one year term;~~

7           ~~(D) the Vermont Bar Association shall appoint a member for a~~  
8           ~~three year term; and~~

9           ~~(E) the Board of Directors of the Vermont Human Resource~~  
10          ~~Association shall appoint a member for a two year term.~~

11          (2) After the expiration of the initial terms set forth in subdivision (1) of  
12          this subsection, Commission member terms shall be as set forth in  
13          3 V.S.A. § 1221(b)(4)(A) in Sec. 7 of this act.

14          Sec. 11. CREATION OF STAFF POSITION FOR STATE ETHICS

15                   COMMISSION

16          One part-time exempt Executive Director position is created in the State  
17          Ethics Commission set forth in Sec. 7 of this act by using an existing position  
18          in the position pool.

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1 Sec. 12. [Deleted.]

2 Sec. 13. BUILDINGS AND GENERAL SERVICES; SPACE ALLOCATION

3 The Commissioner of Buildings and General Services shall allocate space  
4 for the State Ethics Commission established in Sec. 7 of this act. This space  
5 shall be allocated on or before October 15, 2017.

6 Sec. 14. STATE ETHICS COMMISSION FUNDING SOURCE

7 SURCHARGE; REPEAL

8 (a) Surcharge.

9 (1) In fiscal year 2018 and thereafter, a surcharge of up to 2.3 percent,  
10 but no greater than the cost of the activities of the State Ethics Commission set  
11 forth in Sec. 7 of this act, on the per-position portion of the charges authorized  
12 in 3 V.S.A. § 2283(c)(2) shall be assessed to all Executive Branch agencies,  
13 departments, and offices and shall be paid by all assessed entities solely with  
14 State funds.

15 (2) The amount collected shall be accounted for within the Human  
16 Resource Services Internal Service Fund and used solely for the purposes of  
17 funding the activities of the State Ethics Commission set forth in Sec. 7 of  
18 this act.

19 (b) Repeal. This section shall be repealed on June 30, ~~2019~~ 2020.



**DRAFT; NOT YET EDITED; FOR COMMITTEE DISCUSSION**

**Key:** 1) ~~Potentially remove from bill~~; 2) Potentially add to bill

1 of a prohibition adopted under this section, “conflict of interest” means a direct  
2 personal or pecuniary interest of a public official, or the official’s spouse,  
3 household member, business associate, employer, or employee, in the outcome  
4 of a cause, proceeding, application, or any other matter pending before the  
5 official or before the agency or public body in which the official holds office  
6 or is employed.

7 (2) “Conflict of interest” does not arise in the case of votes or decisions  
8 on matters in which the public official has a personal or pecuniary interest in  
9 the outcome, such as in the establishment of a tax rate, that is no greater than  
10 that of other persons generally affected by the decision.

11 **Sec. 15a. TRANSITIONAL PROVISION; MUNICIPAL ETHICS**

12 **COMPLAINTS; SECRETARY OF STATE; ETHICS**

13 **COMMISSION; REPORTS**

14 (a) Until December 15, 2020, the Secretary of State shall accept complaints  
15 in writing regarding municipal governmental ethical conduct and report those  
16 complaints annually on or before December 15 to the Executive Director of the  
17 State Ethics Commission in the form requested by the Executive Director.

18 (b) The State Ethics Commission shall include a summary of these  
19 municipal complaints and any recommendations for legislative action in regard  
20 to municipal ethics along with its report of complaints and recommendations

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1 described in Sec. 7 in 3 V.S.A. § 1226(1) and (3) (Commission reports;  
2 complaints; recommendations).

3 \* \* \* Effective Dates \* \* \*

4 Sec. 16. EFFECTIVE DATES

5 This act shall take effect as follows:

6 (1) The following sections shall take effect on July 1, 2017:

7 (A) Sec. 1, 2 V.S.A. § 266 (former legislators and Executive officers;  
8 lobbying; prohibited employment); and

9 (B) Sec. 2, 3 V.S.A. § 267 (former Executive officers; prohibited  
10 employment).

11 (2) The following sections shall take effect on January 1, 2018:

12 (A) Sec. 3, 17 V.S.A. § 2414 (candidates for State and legislative  
13 office; disclosure form);

14 (B) Sec. 6, 17 V.S.A. § 2904a (Attorney General or State’s Attorney;  
15 campaign finance; reports to State Ethics Commission); and

16 (C) Sec. 7, 3 V.S.A. Part 1, chapter 31 (governmental ethics).

17 (3) Secs. 4, 17 V.S.A. § 2950 (State officers and State office candidates;  
18 contractor contribution restrictions) and 4a, 3 V.S.A. § 347 (contractor  
19 contribution restrictions) shall take effect on December 16, 2018.

20 (4) Sec. 15, 24 V.S.A. § 1984 (municipalities; conflict of interest  
21 prohibition) shall take effect on July 1, 2020.

**DRAFT; NOT YET EDITED; FOR COMMITTEE DISCUSSION**

**Key:** 1) ~~Potentially remove from bill~~; 2) Potentially add to bill

1           (5) This section and all other sections shall take effect on passage.

2

3

4

5           (Committee vote: \_\_\_\_\_)

6

\_\_\_\_\_

7

Representative \_\_\_\_\_

8

FOR THE COMMITTEE