

1 TO THE HONORABLE SENATE:

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 bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Former Legislators; Lobbying Restriction * * *

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

9 § 266. PROHIBITED CONDUCT

10 * * *

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

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

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

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

19 (2) “Executive officer” means:

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

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

3 * * * Former Executive Officers; Postemployment Restrictions * * *

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

5 § 267. EXECUTIVE OFFICERS; POSTEMPLOYMENT RESTRICTIONS

6 (a) Prior participation while in State employ.

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

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

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

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

19 (b) Prior official responsibility. An Executive officer, for one year after
20 leaving office, shall not, for pecuniary gain, be an advocate for any private
21 entity before any public body or the General Assembly or its committees

1 regarding any particular matter in which the officer had exercised any official
2 responsibility.

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

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

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

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

13 (2) “Executive officer” means:

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

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

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

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

4 * * * State Office and Legislative Candidates; Disclosure Form * * *

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

6 § 2414. CANDIDATES FOR STATE AND LEGISLATIVE OFFICE;

7 DISCLOSURE FORM

8 (a) Each candidate for State office, State Senator, or State Representative
9 shall file with the officer with whom consent of candidate forms are filed,
10 along with his or her consent, a disclosure form prepared by the Secretary of
11 State that contains the following information in regard to the previous calendar
12 year:

13 (1) Each source, but not amount, of personal taxable income of the
14 candidate or of his or her spouse that totals more than \$10,000.00, including
15 any of the sources meeting that total described as follows:

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

19 (B) investment income; and

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

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

1 (ii) a company of which the candidate or his or her spouse, or the
2 candidate together with his or her spouse, owned more than 10 percent.

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

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

7 (b) In addition, each candidate for State office shall attach to the disclosure
8 form described in subsection (a) of this section a copy of his or her most recent
9 U.S. Individual Income Tax Return Form 1040; provided, however, that the
10 candidate may redact from that form the following information:

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

13 (2) the names of any dependent and the dependent's social security
14 number; and

15 (3) the signature of the candidate and that of his or her spouse, if
16 applicable.

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

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

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

7 * * * Campaign Finance; Contractor Contribution Restrictions * * *

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

9 § 2950. STATE OFFICERS AND STATE OFFICE CANDIDATES;

10 CONTRACTOR CONTRIBUTION RESTRICTIONS

11 (a) Contributor restrictions on contracting.

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

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

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

1 (2) The prohibition set forth in subdivision (1) of this subsection shall
2 only apply if the person to whom the contribution was made holds the office
3 during the timeframe of the prohibition.

4 (b) Contractor restrictions on contributions.

5 (1)(A) A person who enters into a sole source contract valued at
6 \$50,000.00 or more or multiple sole source contracts valued in the aggregate at
7 \$100,000.00 or more with the office of a State officer or with the State on
8 behalf of that office, or that person’s principal or spouse, shall not make a
9 contribution to a candidate for that State office or to that State officer.

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

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

17 (c) As used in this section:

18 (1) “Contract” means a “contract for services,” as that term is defined in
19 3 V.S.A. § 341.

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

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

4 (B) is vested with the authority to conduct, manage, or supervise the
5 business affairs of the person, if the person is a for-profit business entity; or

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

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

9 § 347. CONTRACTOR CONTRIBUTION RESTRICTIONS

10 The Secretary of Administration shall include in Administrative Bulletin 3.5
11 a notice regarding the contractor contribution restrictions set forth in
12 17 V.S.A. § 2950.

13 * * * Campaign Finance Investigations; Reports to Ethics Commission * * *

14 Sec. 5. 17 V.S.A. § 2904 is amended to read:

15 § 2904. CIVIL INVESTIGATION

16 (a)(1) The Attorney General or a State’s Attorney, whenever he or she has
17 reason to believe any person to be or to have been in violation of this chapter
18 or of any rule ~~or regulation~~ made pursuant to this chapter, may examine or
19 cause to be examined by any agent or representative designated by him or her
20 for that purpose any books, records, papers, memoranda, or physical objects of

1 any nature bearing upon each alleged violation and may demand written
2 responses under oath to questions bearing upon each alleged violation.

3 * * *

4 (5) Nothing in this subsection is intended to prevent the Attorney
5 General or a State's Attorney from disclosing the results of an investigation
6 conducted under this section, including the grounds for his or her decision as to
7 whether to bring an enforcement action alleging a violation of this chapter or
8 of any rule ~~or regulation~~ made pursuant to this chapter.

9 * * *

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

11 § 2904a. REPORTS TO STATE ETHICS COMMISSION

12 Upon receipt of a complaint made in regard to a violation of this chapter or
13 of any rule made pursuant to this chapter, the Attorney General or a State's
14 Attorney shall:

15 (1) Forward a copy of the complaint to the State Ethics Commission
16 established in 3 V.S.A. chapter 31. The Attorney General or State's Attorney
17 shall provide this information to the Commission within 10 days of his or her
18 receipt of the complaint.

19 (2) File a report with the Commission regarding his or her decision as to
20 whether to bring an enforcement action as a result of that complaint. The

1 Attorney General or State’s Attorney shall make this report within 10 days of
2 that decision.

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

4 CHAPTER 31. GOVERNMENTAL ETHICS

5 Subchapter 1. General Provisions

6 § 1201. DEFINITIONS

7 As used in this chapter:

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

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

12 (3) “Executive officer” means:

13 (A) a State officer; or

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

16 (4) “Governmental conduct regulated by law” includes:

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

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

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

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

1 (E) owning or being financially interested in an entity subject to a
2 department’s supervision pursuant to 3 V.S.A. § 204;

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

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

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

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

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

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

14 § 1202. STATE CODE OF ETHICS

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

1 Subchapter 2. Disclosures

2 § 1211. EXECUTIVE OFFICERS; BIENNIAL DISCLOSURE

3 (a) Biennially, each Executive officer shall file with the State Ethics
4 Commission a disclosure form that contains the following information in
5 regard to the previous calendar year:

6 (1) Each source, but not amount, of personal taxable income of the
7 officer or of his or her spouse that totals more than \$10,000.00, including any
8 of the sources meeting that total described as follows:

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

12 (B) investment income; and

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

14 (i) the officer or his or her spouse; or

15 (ii) a company of which the officer or his or her spouse, or the
16 officer together with his or her spouse, owned more than 10 percent.

17 (2) Any board, commission, association, or other entity on which the
18 officer served and a description of that position.

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

1 (b) An officer shall file his or her disclosure on or before January 15 of the
2 odd-numbered year or, if he or she is appointed after January 15, within
3 10 days after that appointment.

4 § 1212. COMMISSION MEMBERS; BIENNIAL DISCLOSURE

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

9 (b) A member shall file his or her disclosure on or before January 15 of the
10 first year of his or her appointment or, if the member is appointed after
11 January 15, within 10 days after that appointment, and shall file subsequent
12 disclosures biennially thereafter.

13 § 1213. DISCLOSURES; GENERALLY

14 (a) The Executive Director of the Commission shall prepare on behalf of
15 the Commission any disclosure form required to be filed with it, and shall
16 make those forms available on the Commission's website.

17 (b) The Executive Director shall post a copy of any disclosure form the
18 Commission receives on the Commission's website.

1 Subchapter 3. State Ethics Commission

2 § 1221. STATE ETHICS COMMISSION

3 (a) Creation. There is created within the Executive Branch an independent
4 commission named the State Ethics Commission to accept, review, make
5 referrals regarding, and track complaints of alleged violations of governmental
6 conduct regulated by law, of the Department of Human Resources Code of
7 Ethics, and of the State’s campaign finance law set forth in
8 17 V.S.A. chapter 61; to provide ethics training; and to issue advisory opinions
9 regarding ethical conduct.

10 (b) Membership.

11 (1) The Commission shall be composed of the following five members:

12 (A) a chair of the Commission, who shall be appointed by the Chief
13 Justice of the Supreme Court;

14 (B) one member appointed by the Vermont affiliate of the American
15 Civil Liberties Union;

16 (C) one member appointed by the Board of Directors of the Vermont
17 Society of Certified Public Accountants;

18 (D) one member appointed by the Vermont Bar Association; and

19 (E) one member appointed by the Board of Directors of the Vermont
20 Human Resource Association.

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.

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 may be called by the Chair and
14 shall be called upon the request of any other two Commission members.

15 (f) Reimbursement. Each member of the Commission shall be entitled to
16 per diem compensation and reimbursement of expenses pursuant to
17 32 V.S.A. § 1010.

18 § 1222. COMMISSION MEMBER DUTIES AND PROHIBITED

19 CONDUCT

20 (a) Conflicts of interest.

21 (1) Prohibition; recusal.

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

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

7 (2) Disclosure of conflict of interest.

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

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

16 (3) Postrecusal procedure. A Commission member who has recused
17 himself or herself from participating on a Commission matter shall not sit or
18 deliberate with the Commission on that matter or otherwise act as a
19 Commission member on that matter, but may participate in that matter as a
20 member of the public.

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

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

10 § 1223. PROCEDURE FOR HANDLING COMPLAINTS

11 (a) Accepting complaints. On behalf of the Commission, the Executive
12 Director shall accept complaints from any source regarding governmental
13 ethics in any of the three branches of State government or of the State’s
14 campaign finance law set forth in 17 V.S.A. chapter 61.

15 (b) Preliminary review by Executive Director. The Executive Director
16 shall conduct a preliminary review of complaints made to the Commission in
17 order to take action as set forth in this subsection.

18 (1) Governmental conduct regulated by law. If the Executive Director
19 finds that a State officer or employee may have committed a violation of
20 governmental conduct regulated by law, the Executive Director shall submit

1 the complaint to the Commission for its review as set forth in subsection (c) of
2 this section.

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

4 (A) If the complaint alleges a violation of the Department of Human
5 Resources Code of Ethics, the Executive Director shall refer the complaint to
6 the Commissioner of Human Resources.

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

10 (3) Campaign finance.

11 (A) If the complaint alleges a violation of campaign finance law, the
12 Executive Director shall refer the complaint to the Attorney General or to the
13 State's Attorney of jurisdiction, as appropriate.

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

18 (4) Legislative and Judicial Branches; attorneys.

19 (A) If the complaint is in regard to conduct committed by a State
20 Senator, the Executive Director shall refer the complaint to the Senate Ethics

1 Panel and shall request a report back from the Panel regarding the final
2 disposition of the complaint.

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

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

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

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

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

1 (c) Commission reviews and referrals.

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

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

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

13 (d) Confidentiality. Complaints and related documents in the custody of
14 the Commission shall be exempt from public inspection and copying under the
15 Public Records Act and kept confidential.

16 § 1224. COMMISSION ETHICS TRAINING

17 At least annually, in collaboration with the Department of Human
18 Resources, the Commission shall make available to legislators, State officers,
19 and State employees training on issues related to governmental ethics.

1 § 1225. EXECUTIVE DIRECTOR ADVISORY OPINIONS

2 (a)(1) The Executive Director may issue to an Executive officer or other
3 State employee, upon his or her request, an advisory opinion regarding any
4 provision of this chapter or any issue related to governmental ethics.

5 (2) The Executive Director may consult with members of the
6 Commission in preparing an advisory opinion.

7 (b) An advisory opinion issued under this section shall be exempt from
8 public inspection and copying under the Public Records Act. The Commission
9 shall keep an advisory opinion confidential unless the receiving entity has
10 publicly disclosed it.

11 § 1226. COMMISSION REPORTS

12 Annually, on or before January 15, the Commission shall report to the
13 General Assembly regarding the following issues:

14 (1) Complaints. The number and a summary of the complaints made to
15 it, separating the complaints by topic, and the disposition of those complaints,
16 including any prosecution, enforcement action, or dismissal. This summary of
17 complaints shall not include any personal identifying information.

18 (2) Advisory opinions. The number and a summary of the advisory
19 opinions the Executive Director issued, separating the opinions by topic. This
20 summary of advisory opinions shall not include any personal identifying
21 information.

1 (3) Recommendations. Any recommendations for legislative action to
2 address State governmental ethics or provisions of campaign finance law.

3 * * * Implementation * * *

4 Sec. 8. APPLICABILITY OF EMPLOYMENT RESTRICTIONS

5 The provisions of Secs. 1 and 2 of this act that restrict employment shall not
6 apply to any such employment in effect on the effective date of those sections.

7 Sec. 9. STATE ETHICS COMMISSION; STATE CODE OF ETHICS

8 CREATION

9 The State Ethics Commission shall create the State Code of Ethics in
10 consultation with the Department of Human Resources as described in
11 3 V.S.A. § 1202 in Sec. 7 of this act on or before July 1, 2018.

12 Sec. 10. IMPLEMENTATION OF THE STATE ETHICS COMMISSION

13 (a) The State Ethics Commission, created in Sec. 7 of this act, is
14 established on January 1, 2018.

15 (b) Members of the Commission shall be appointed on or before
16 October 15, 2017 in order to prepare as they deem necessary for the
17 establishment of the Commission, including the hiring of the Commission's
18 Executive Director. Terms of members shall officially begin on
19 January 1, 2018.

1 (c)(1) In order to stagger the terms of the members of the State Ethics
2 Commission as described in 3 V.S.A. § 1221(b)(4)(A), in Sec. 7 of this act, the
3 initial terms of those members shall be as follows:

4 (A) the Chief Justice of the Supreme Court shall appoint the Chair for
5 a three-year term;

6 (B) the Vermont affiliate of the American Civil Liberties Union shall
7 appoint a member for a two-year term;

8 (C) the Board of Directors of the Vermont Society of Certified Public
9 Accountants shall appoint a member for a one-year term;

10 (D) the Vermont Bar Association shall appoint a member for a
11 three-year term; and

12 (E) the Board of Directors of the Vermont Human Resource
13 Association shall appoint a member for a two-year term.

14 (2) After the expiration of the initial terms set forth in subdivision (1) of
15 this subsection, Commission member terms shall be as set forth in
16 3 V.S.A. § 1221(b)(4)(A) in Sec. 7 of this act.

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

18 COMMISSION

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

1 Sec. 12. 3 V.S.A. § 260 is amended to read:

2 § 260. LOCATION OF OFFICES

3 * * *

4 (c) The principal office of each of the following boards and divisions shall
5 be located in Montpelier: Division for Historic Preservation ~~and~~ Board of
6 Libraries, and State Ethics Commission.

7 * * *

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

9 The Commissioner of Buildings and General Services, in accordance with
10 3 V.S.A. § 260 set forth in Sec. 12 of this act, shall allocate space for the State
11 Ethics Commission established in Sec. 7 of this act. This space shall be
12 allocated on or before October 15, 2017.

13 Sec. 14. STATE ETHICS COMMISSION FUNDING SOURCE

14 SURCHARGE; REPEAL

15 (a) Surcharge.

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

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

5 (b) Repeal. This section shall be repealed on June 30, 2019.

6 * * * Municipal Conflicts of Interest * * *

7 Sec. 15. 24 V.S.A. § 1984 is amended to read:

8 § 1984. CONFLICT OF INTEREST PROHIBITION

9 (a)(1) ~~A~~ Each town, city, ~~or~~ and incorporated village, by majority vote of
10 those present and voting at an annual or special meeting warned for that
11 purpose, ~~may~~ shall adopt a conflict of interest prohibition for its elected and
12 appointed officials, which shall contain:

13 ~~(1)~~(A) A definition of “conflict of interest.”

14 ~~(2)~~(B) A list of the elected and appointed officials covered by such
15 prohibition.

16 ~~(3)~~(C) A method to determine whether a conflict of interest exists.

17 ~~(4)~~(D) Actions that must be taken if a conflict of interest is determined
18 to exist.

19 ~~(5)~~(E) A method of enforcement against individuals violating such
20 prohibition.

