

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 875 entitled “An act relating to the State Ethics Commission and the
4 State Code of Ethics” respectfully reports that it has considered the same and
5 recommends that the Senate propose to the House that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 * * * Candidate Financial Disclosure Requirements * * *

9 Sec. 1. 17 V.S.A. § 2414 is amended to read:

10 § 2414. CANDIDATES FOR STATE AND LEGISLATIVE OFFICE;

11 DISCLOSURE FORM

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

17 (1) ~~Each~~ each source, but not amount, of personal income of the
18 candidate and of ~~his or her~~ the candidate’s spouse or domestic partner, and of
19 the candidate together with ~~his or her~~ the candidate’s spouse or domestic
20 partner, that totals more than \$5,000.00, ~~including any of the sources meeting~~
21 ~~that total described as follows:~~

1 (A) ~~employment~~, including the candidate's employer or business
2 name and address; and;

3 (B) if self-employed, a description of the nature of the self-
4 employment ~~without needing to disclose any individual clients~~, including the
5 names of any clients whose principal business activities are regulated by or
6 that have a contract with any municipal or State office, department, or agency,
7 provided that this information is known to the candidate or the candidate's
8 domestic partner and that the disclosed information is not confidential
9 information; ~~and~~

10 ~~(B) investments, described generally as "investment income."~~

11 (2) ~~Any~~ any board, commission, or other entity that is regulated by law
12 ~~or that receives funding from the State~~ on which the candidate served and the
13 candidate's position on that entity;:

14 (3)(A) ~~Any~~ any company of which the candidate or ~~his or her~~ the
15 candidate's spouse or domestic partner, or the candidate together with ~~his or~~
16 ~~her~~ the candidate's spouse or domestic partner, owned more than 10 percent;:
17 and

18 (B) the details of any loan made to or by any applicable company in
19 subdivision (A) of this subdivision (3) that is not a commercially reasonable
20 loan made in the ordinary course of business, including any borrower and
21 lender;

1 (4) any company of which the candidate or the candidate’s spouse or
2 domestic partner, or the candidate together with the candidate’s spouse or
3 domestic partner, had an ownership or controlling interest in any amount, and
4 in the previous 12 months the company had business before or with any
5 municipal or State office, agency, or department;

6 (5) Any any lease or contract with the State held or entered into by:

7 (A) the candidate or ~~his or her~~ the candidate’s spouse or domestic
8 partner; or

9 (B) a company of which the candidate or ~~his or her~~ the candidate’s
10 spouse or domestic partner, or the candidate together with ~~his or her~~ the
11 candidate’s spouse or domestic partner, owned more than 10 percent;

12 (6) a generalized description, but not amount, to the best of the
13 candidate’s knowledge, of the following investments held by a candidate or the
14 candidate’s spouse or domestic partner:

15 (A) publicly traded assets valued at \$25,000.00 or more, which a
16 candidate exercises control over or has the ability to exercise control over,
17 which shall be listed individually;

18 (B) interests in investment funds valued at \$25,000.00 or more, in
19 which a candidate neither exercises control over nor has the ability to exercise
20 control over the financial interests held by a fund, which shall be listed
21 individually;

1 (C) interests in trusts valued at \$25,000.00 or more, which shall be
2 listed individually; and

3 (D) municipal bonds issued in the State of Vermont of any value,
4 which shall be listed individually; and

5 (7) the full name of the candidate’s spouse or domestic partner.

6 (b) In addition, if a candidate’s spouse or domestic partner is a lobbyist, the
7 candidate shall disclose that fact and provide the name of ~~his or her~~ the
8 candidate’s spouse or domestic partner and, if applicable, the name of ~~his or~~
9 ~~her~~ the lobbying firm.

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

15 (1) the candidate’s Social Security number and that of ~~his or her~~ the
16 candidate’s spouse, if applicable;

17 (2) the names of any dependent and the dependent’s Social Security
18 number; ~~and~~

19 (3) the signature of the candidate and that of ~~his or her~~ the candidate’s
20 spouse, if applicable;

21 (4) the candidate’s street address; and

1 § 1201. DEFINITIONS

2 As used in this chapter:

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

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

7 (3) “Commercially reasonable loan made in the ordinary course of
8 business” means a loan made:

9 (A) in the usual manner on any recognized market;

10 (B) at the price current in any recognized market at the time of
11 making the loan; or

12 (C) otherwise in conformity with reasonable commercial practices
13 among lenders typically dealing in the type of loan made.

14 (4) “Confidential information” means information that is exempt from
15 public inspection and copying under 1 V.S.A. § 315 et seq. or is otherwise
16 designated by law as confidential.

17 (5) “Conflict of interest” means a direct or indirect interest of a public
18 servant or such an interest, known to the public servant, of a member of the
19 public servant’s immediate family, or of a business associate, in the outcome
20 of a particular matter pending before the public servant or the public servant’s
21 public body, or that is in conflict with the proper discharge of the public

1 servant’s duties. “Conflict of interest” does not include any interest that is not
2 greater than that of other individuals generally affected by the outcome of a
3 matter.

4 (6) “County officer” means an individual holding the office of high
5 bailiff, sheriff, or State’s Attorney.

6 (4)(7) “Domestic partner” means an individual in an enduring domestic
7 relationship of a spousal nature with the Executive officer or the public
8 servant, provided the individual and Executive officer or public servant:

9 (A) have shared a residence for at least six consecutive months;

10 (B) are at least 18 years of age;

11 (C) are not married to or considered a domestic partner of another
12 individual;

13 (D) are not related by blood closer than would bar marriage under
14 State law; and

15 (E) have agreed between themselves to be responsible for each
16 other’s welfare.

17 (5)(8) “Executive officer” means:

18 (A) a State officer; or

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

1 ~~(6)~~(9) “Governmental conduct regulated by law” means conduct by an
2 individual in regard to the operation of State government that is restricted or
3 prohibited by law and includes:

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

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

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

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

9 (E) owning or being financially interested in an entity subject to a
10 department’s supervision pursuant to section 204 of this title;

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

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

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

18 (I) a former Executive officer serving as an advocate pursuant to
19 section 267 of this title; and

20 (J) creating or permitting to persist any unlawful employment
21 practice pursuant to 21 V.S.A. § 495.

1 ~~(7)~~(10) “Immediate family” means an individual’s spouse, domestic
2 partner, or civil union partner; child or foster child; sibling; parent; or such
3 relations by marriage or by civil union or domestic partnership; or an
4 individual claimed as a dependent for federal income tax purposes.

5 (11) “Investment fund” means a widely held investment fund, that is
6 publicly traded or available and has assets that are widely diversified.
7 Investment funds include a mutual fund, regulated investment company,
8 common trust fund maintained by a bank or similar financial institution,
9 pension or deferred compensation plan, and any other pooled investment fund.

10 ~~(8)~~(12) “Lobbyist” and “lobbying firm” have the same meanings as in
11 2 V.S.A. § 261.

12 ~~(9)~~(13) “Person” means any individual, group, business entity,
13 association, or organization.

14 ~~(40)~~(14) “Political committee” and “political party” have the same
15 meanings as in 17 V.S.A. § 2901.

16 (15) “Public servant” means an individual elected or appointed to serve
17 as a State officer, an individual elected or appointed to serve as a member of
18 the General Assembly, a State employee, an individual appointed to serve on a
19 State board or commission, or an individual who in any other way is
20 authorized to act or speak on behalf of the State.

1 INTEREST

2 (a) Conflict of interest; appearance of conflict of interest.

3 (1) In the public servant’s official capacity, the public servant shall
4 avoid any conflict of interest or the appearance of a conflict of interest. The
5 appearance of a conflict shall be determined from the perspective of a
6 reasonable individual with knowledge of the relevant facts.

7 (2) Except as otherwise provided in subsections (b) and (c) of this
8 section, when confronted with a conflict of interest, a public servant shall
9 recuse themselves from the matter and not take further action.

10 (3) ~~As used in this section, “conflict of interest” means a direct or~~
11 ~~indirect interest of a public servant or such an interest, known to the public~~
12 ~~servant, of a member of the public servant’s immediate family or household, or~~
13 ~~of a business associate, in the outcome of a particular matter pending before~~
14 ~~the public servant or the public servant’s public body, or that is in conflict with~~
15 ~~the proper discharge of the public servant’s duties. “Conflict of interest” does~~
16 ~~not include any interest that is not greater than that of other individuals~~
17 ~~generally affected by the outcome of a matter. [Repealed.]~~

18 * * *

19 Sec. 5. 3 V.S.A. § 1211 is amended to read:

20 § 1211. EXECUTIVE OFFICERS; ANNUAL DISCLOSURE

1 (a) Annually, each Executive officer and county officer shall file with the
2 State Ethics Commission a disclosure form that contains the following
3 information in regard to the previous 12 months:

4 (1) ~~Each~~ each source, but not amount, of personal income of the officer
5 and of ~~his or her~~ the officer's spouse or domestic partner, and of the officer
6 together with ~~his or her~~ the officer's spouse or domestic partner, that totals
7 more than \$5,000.00, including ~~any of the sources meeting that total described~~
8 ~~as follows:~~

9 (A) ~~employment, including~~ the officer's employer or business name
10 and address; and,

11 (B) if self-employed, a description of the nature of the self-
12 employment ~~without needing to disclose any individual clients,~~ including the
13 names of any clients whose principal business activities are regulated by or
14 that have a contract with any municipal or State office, department, or agency,
15 provided that this information is known to the candidate or the candidate's
16 domestic partner and that the disclosed information is not confidential
17 information; ~~and~~

18 (B) ~~investments, described generally as "investment income."~~

19 (2) ~~Any~~ any board, commission, or other entity that is regulated by law
20 ~~or that receives funding from the State~~ on which the officer served and the
21 officer's position on that entity;:

1 (3)(A) Any any company of which the officer or ~~his or her~~ the officer's
2 spouse or domestic partner, or the officer together with ~~his or her~~ the officer's
3 spouse or domestic partner, owned more than 10 percent; and

4 (B) the details of any loan made to any applicable company in
5 subdivision (A) of this subdivision (3) that is not a commercially reasonable
6 loan made in the ordinary course of business, including any borrower and
7 lender;

8 (4) any company of which the officer or the officer's spouse or domestic
9 partner, or the officer together with the officer's spouse or domestic partner,
10 had an ownership or controlling interest in any amount, and the company had
11 business before or with any municipal or State office, agency, or department;

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

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

14 or

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

18 (6) a generalized description, but not amount, to the best of the
19 candidate's knowledge, of the following investments held by a candidate or the
20 candidate's spouse or domestic partner:

1 (A) publicly traded assets valued at \$25,000.00 or more, which a
2 candidate exercises control over or has the ability to exercise control over,
3 which shall be listed individually;

4 (B) interests in investment funds valued at \$25,000.00 or more in
5 which a candidate neither exercises control over nor has the ability to exercise
6 control over the financial interests held by a fund, which shall be listed
7 individually;

8 (C) interests in trusts valued at \$25,000.00 or more, which shall be
9 listed individually; and

10 (D) municipal bonds issued in the State of Vermont of any value,
11 which shall be listed individually; and

12 (7) the full name of the officer's spouse or domestic partner.

13 (b) In addition, if an Executive officer's or county officer's spouse or
14 domestic partner is a lobbyist, the officer shall disclose that fact and provide
15 the name of ~~his or her~~ the officer's spouse or domestic partner and, if
16 applicable, the name of ~~his or her~~ the lobbying firm.

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

1 (2) Each Executive officer and county officer shall sign ~~his or her~~ the
2 officer's disclosure form in order to certify it in accordance with this
3 subsection.

4 (d)(1) ~~An~~ Each Executive officer and county officer shall file ~~his or her~~ the
5 officer's disclosure on or before January 15 of each year or, if ~~he or she~~ the
6 officer is appointed after January 15, within 10 days after that appointment.

7 (2) ~~An officer who filed this disclosure form as a candidate in~~
8 ~~accordance with 17 V.S.A. § 2414 in the preceding year and whose disclosure~~
9 ~~information has not changed since that filing may update that filing to indicate~~
10 ~~that there has been no change.~~ [Repealed.]

11 (e) [Repealed.]

12 * * * Delinquent Disclosures for Candidates for State Office, County Office,
13 State Senator, and State Representative * * *

14 Sec. 6. 17 V.S.A. § 2415 is added to read:

15 § 2415. FAILURE TO FILE; PENALTIES

16 (a) If any disclosure required of a candidate for State office, county office,
17 State Senator, or State Representative by section 2414 of this title is not filed in
18 the time and manner set forth in sections 2356, 2361, and 2402 of this title, the
19 candidate for State office, county office, State Senator, or State Representative
20 shall be addressed as follows:

1 (1) The State Ethics Commission, after notification by the Office of the
2 Secretary of State of the names of delinquent filers, shall issue a notice of
3 delinquency to the candidate for State office, county office, State Senator, or
4 State Representative for any disclosure required of a candidate for State office,
5 county office, State Senator, or State Representative by section 2414 of this
6 title that is not filed in the time and manner set forth in sections 2356, 2361,
7 and 2402 of this title.

8 (2) Following notice of delinquency sent by the State Ethics
9 Commission to the candidate for State office, county office, State Senator, or
10 State Representative, the candidate shall have five working days from the date
11 of the issuance of the notice to cure the delinquency.

12 (3) Beginning six working days from the date of notice, the delinquent
13 candidate for State office, county office, State Senator, or State Representative
14 shall pay a \$10.00 penalty for each day thereafter that the disclosure remains
15 delinquent; provided, however, that in no event shall the amount of any penalty
16 imposed under this subdivision exceed \$1,000.00.

17 (4) Notwithstanding subdivision (3) of this subsection (a), the State
18 Ethics Commission may reduce or waive any penalty imposed under this
19 section if the candidate for State office, county office, State Senator, or State
20 Representative demonstrates good cause, as determined by the State Ethics
21 Commission and in the sole discretion of the State Ethics Commission.

1 (b) The Commission shall send a notice of delinquency to the e-mail
2 address provided by the candidate for State office, county office, State Senator,
3 or State Representative in the candidate’s consent of candidate form.

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

7 (d)(1) A candidate for State office, county office, State Senator, or State
8 Representative who files a disclosure with intent to defraud, falsify, conceal, or
9 cover up by any trick, scheme, or device a material fact, or, with intent to
10 defraud, make any false, fictitious, or fraudulent claim or representation as to a
11 material fact, or, with intent to defraud, make or use any writing or document
12 knowing the same to contain any false, fictitious, or fraudulent claim or entry
13 as to a material fact shall be considered to have made a false claim for the
14 purposes of 13 V.S.A. § 3016.

15 (2) Pursuant to 3 V.S.A. § 1223 and section 2904a of this title,
16 complaints regarding any candidate for State office, county office, State
17 Senator, or State Representative who fails to properly file a disclosure required
18 under this subchapter may be filed with the State Ethics Commission. The
19 Executive Director of the State Ethics Commission shall refer complaints to
20 the Attorney General or to the State’s Attorney of jurisdiction for investigation,
21 as appropriate.

* * * Expansion of State Ethics Commission’s Powers * * *

1
2 Sec. 7. 3 V.S.A. § 1221(a) is amended to read:

3 (a) Creation. There is created within the Executive Branch an independent
4 commission named the State Ethics Commission to accept, review, investigate;
5 hold hearings; issue warnings and reprimands; and recommended actions,
6 make referrals regarding, and track complaints of alleged violations of
7 governmental conduct regulated by law, of the Department of Human
8 Resources Personnel Policy and Procedure Manual, of the State Code of
9 Ethics, and of the State’s campaign finance law set forth in 17 V.S.A. chapter
10 61; to provide ethics training; and to issue guidance and advisory opinions
11 regarding ethical conduct.

12 Sec. 8. 3 V.S.A. § 1222 is redesignated to read:

13 § 1222. COMMISSION MEMBER ~~DUTIES AND~~ PROHIBITED
14 CONDUCT

15 Sec. 9. 3 V.S.A. § 1223 is amended to read:

16 § 1223. PROCEDURE FOR ~~HANDLING~~ ACCEPTING AND REFERRING
17 COMPLAINTS

18 * * *

19 (b) Preliminary review by Executive Director. The Executive Director
20 shall conduct a preliminary review of complaints made to the Commission in
21 order to take action as set forth in this subsection and section 1223a of this

1 title, which shall include referring complaints to all relevant entities, including
2 the Commission itself.

3 * * *

4 (c) Consultation on unethical conduct. If the Executive Director refers a
5 complaint under subsection (b) of this section, the Executive Director shall
6 signify any likely unethical conduct described in the complaint. Any entity
7 receiving a referred complaint shall consult with the Commission regarding the
8 application of the State Code of Ethics to facts presented in the complaint. The
9 consultation shall be in writing and occur within 60 days after an entity
10 receives a referred complaint and prior to the entity making a determination on
11 the complaint, meaning either closing a complaint without further investigation
12 or issuing findings following an investigation.

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, except as provided for in section
16 1231 of this title.

17 Sec. 10. 3 V.S.A. § 1227 is added to read:

18 § 1227. INVESTIGATIONS

19 (a) Power to investigate. The Commission, through its Executive Director,
20 may investigate public servants for alleged unethical conduct. The
21 Commission may investigate alleged unethical conduct after receiving a

1 complaint pursuant to section 1223 of this title. The Commission may also
2 investigate suspected unethical conduct without receiving any complaint.

3 (b) Initiation of investigation by Commission vote. The Executive Director
4 shall only initiate an investigation upon an affirmative vote to proceed with the
5 investigation of unethical conduct by a majority of current members of the
6 Commission who have not recused themselves.

7 (c) Statute of limitations. The Commission shall only initiate an
8 investigation relating to unethical conduct that last occurred within the prior
9 two years.

10 (d) Outside legal counsel and investigators. The Executive Director may
11 appoint legal counsel, who shall be an attorney admitted to practice in this
12 State, and investigators to assist with investigations, hearings, and issuance of
13 warnings, reprimands, and recommended actions.

14 (e) Notice. The Executive Director shall notify the complainant and public
15 servant, in writing, of any complaint being investigated.

16 (f) Complainant participation. A complainant shall have the right to be
17 heard in an investigation resulting from the complaint.

18 (g) Timeline of investigation. An investigation shall conclude within six
19 months after either the date of the complaint received or, in the event no
20 complaint was received, the date of the investigation's initiation by the
21 Executive Director.

1 (h) Burden of proof. For a hearing to be warranted subsequent to an
2 investigation, the Executive Director shall find that there is a reasonable basis
3 to believe that the public servant’s conduct constitutes an unethical violation.

4 (i) Determination after investigation.

5 (1) Upon investigating the alleged unethical conduct, if the Executive
6 Director determines that an evidentiary hearing is warranted, the Executive
7 Director shall notify the Commission. If a majority of current members of the
8 Commission who have not recused themselves vote in concurrence with the
9 Executive Director’s determination that an evidentiary hearing is warranted,
10 the Executive Director shall prepare an investigation report specifying the
11 public servant’s alleged unethical conduct, a copy of which shall be served
12 upon the public servant and any complainant, together with the notice of
13 hearing set forth in section 1228 of this title.

14 (2) Upon investigating the alleged unethical conduct, if the Executive
15 Director determines that an evidentiary hearing is not warranted, the Executive
16 Director shall notify the Commission, the public servant, and any complainant,
17 in writing, of the result of the investigation and the termination of proceedings.

18 Sec. 11. 3 V.S.A. § 1228 is added to read:

19 § 1228. HEARINGS BEFORE THE COMMISSION

1 (a) Power to hold hearings. The Commission may meet and hold hearings
2 for the purpose of gathering evidence and testimony if found warranted
3 pursuant to section 1227 of this title and to make determinations.

4 (b) All Commission hearings shall be considered meetings of the
5 Commission as described in subsection 1221(e) of this title, and shall be
6 conducted in accordance with 1 V.S.A. § 310 et seq.

7 (c) Time of hearing. The Chair of the Commission shall set a time for the
8 hearing as soon as convenient following the Director’s determination that an
9 evidentiary hearing is warranted, subject to the discovery needs of the public
10 servant and any complainant as established in any prehearing or discovery
11 conference or in any orders regulating discovery and depositions, or both, but
12 not earlier than 30 days after service of the charge upon the public servant.
13 The public servant or a complainant may file motions to extend the time of the
14 hearing for good cause, which may be granted by the Chair.

15 (d) Notice of hearing. The Chair shall give the public servant and any
16 complainant reasonable notice of a hearing, which shall include:

17 (1) A statement of the time, place, and nature of the hearing.

18 (2) A statement of the legal authority and jurisdiction under which the
19 hearing is to be held.

20 (3) A reference to the particular sections of the statutes and rules
21 involved.

1 (4) A short and plain statement of the matters at issue. If the
2 Commission is unable to state the matters in detail at the time the notice is
3 served, the initial notice may be limited to a statement of the issues involved.
4 Thereafter, upon application by either the public servant or any complainant, a
5 more definite and detailed statement shall be furnished.

6 (5) A reference and copy of any rules adopted by the Commission
7 regarding the hearing’s procedures, rules of evidence, and other aspects of the
8 hearing.

9 (e) Rights of public servants and complainants. Opportunity shall be given
10 to the public servant and any complainant to be heard at the hearing, present
11 evidence, respond to evidence, and argue on all issues related to the alleged
12 unethical misconduct.

13 (f) Executive session. In addition to the provisions of 1 V.S.A. § 313(a),
14 the Commission may enter executive session if the Commission deems it
15 appropriate in order to protect the confidentiality of an individual or any other
16 protected information pertaining to any identifiable person that is otherwise
17 confidential under State or federal law.

18 Sec. 12. 3 V.S.A. § 1229 is added to read:

19 § 1229. WARNINGS; REPRIMANDS; RECOMMENDED ACTIONS;

20 AGREEMENTS

1 (a) Power to issue warnings, reprimands, and recommended actions. The
2 Commission may issue warnings, reprimands, and recommended actions, not
3 inconsistent with the Vermont Constitution and laws of the State, including
4 facilitated mediation, additional training and education, referrals to counseling
5 and wellness support, or other remedial actions.

6 (b) Factors in determination.

7 (1) Circumstances of unethical conduct. In this determining, the
8 Commission shall consider the degree of unethical conduct, the timeline over
9 which the unethical conduct occurred and whether the conduct was repeated,
10 and the privacy, rights, and responsibilities of the parties.

11 (2) Determination based on evidence. The Commission shall render its
12 determination on the allegation on the basis of the evidence in the record
13 before it, regardless of whether the Commission makes its determination on the
14 investigation report of the Executive Director pursuant to section 1227 of this
15 title alone, on evidence and testimony presented in the hearing pursuant to
16 section 1228 of this title, or on its own findings.

17 (3) Burden of proof. The Commission shall only issue a warning,
18 reprimand, or recommended action if it finds that, by a preponderance of the
19 evidence, the public servant committed unethical conduct.

20 (c) Determination after hearing.

1 (1) If a majority of current members of the Commission who have not
2 recused themselves find that the public servant committed unethical conduct as
3 specified in the investigation report the Executive Director pursuant to section
4 1227 of this title alone, the Commission shall then, in writing or stated in the
5 record, issue a warning, reprimand, or recommended action.

6 (2) If the Commission does not find that the public servant committed
7 unethical conduct, the Commission shall issue a statement that the allegations
8 were not proved.

9 (3) When a determination or order is approved for issue by a board or
10 commission, the decision or order may be signed by the chair on behalf of the
11 issuing board or commission.

12 (d) Timeline for determination. The Commission shall make its
13 determination within 30 days after concluding the Commission’s last hearing
14 under this section and notify the public servant and any complainant of the
15 Committee’s determination. This timeline may be extended by the
16 Commission for good cause or pursuant to an agreement made between the
17 Commission and the public servant.

18 (e) Referral of unethical conduct. Notwithstanding subsection 1223(c) of
19 this title, the Commission shall notify the Attorney General or the State’s
20 Attorney of jurisdiction of any alleged violations of governmental conduct

1 regulated by law or the relevant federal agency of any alleged violations of
2 federal law, if discovered in the course of the Commission’s investigations.

3 (f) Power to enter into resolution agreements.

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

7 (2) A resolution agreement shall:

8 (A) include an agreed course of remedial action to be taken by the
9 public servant;

10 (B) be in writing;

11 (C) be executed by both the public servant and Executive Director;

12 and

13 (D) be a public record subject to public inspection and copying under
14 the Public Records Act.

15 (3) A resolution agreement may be entered into at any point in time
16 before or during Commission proceedings. Any procedural deadlines
17 described in this chapter or rules adopted pursuant to this chapter shall be
18 paused at the time of execution of the resolution agreement. The Executive
19 Director shall verify compliance with the resolution agreement within three
20 months following execution of the agreement, and if the Executive Director is

1 not satisfied that compliance has been achieved, the Commission may resume
2 its initial proceedings.

3 Sec. 13. 3 V.S.A. § 1230 is added to read:

4 § 1230. PROCEDURE; RULEMAKING

5 (a) Procedure. Unless otherwise controlled by statute or rules adopted by
6 the Commission, the Vermont Rules of Civil Procedure and the Vermont Rules
7 of Evidence shall apply in the Commission’s investigations and hearings.

8 (b) Rulemaking. The Commission shall adopt rules pursuant to 3 V.S.A.
9 chapter 25 regarding procedural and evidentiary aspects of the Commission’s
10 investigations and hearings.

11 (c) Waiver of rules. To prevent unnecessary hardship, delay, or injustice,
12 or for other good cause, a vote of two-thirds of the Commission’s members
13 present and voting may waive the application of a rule upon such conditions as
14 the Chair may require, unless precluded by rule or by statute.

15 (d) Subpoenas and oaths. The Commission, the Executive Director, and
16 the Commission’s legal counsel and investigators shall have the power to issue
17 subpoenas and administer oaths in connection with any investigation or
18 hearing, including compelling the provision of materials or the attendance of
19 witnesses at any investigation or hearing; provided, however, the Commission
20 shall first request voluntary cooperation before issuing a subpoena. The
21 Commission, the Executive Director, and the Commission’s legal counsel and

1 investigators may take or cause depositions to be taken as needed in any
2 investigation or hearing.

3 Sec. 14. 3 V.S.A. § 1231 is added to read:

4 § 1231. RECORDS; CONFIDENTIALITY

5 (a) Intent. It is the intent of this section both to protect the reputation of
6 public servants from public disclosure of frivolous complaints against them
7 and to fulfill the public's right to know any unethical conduct committed by a
8 public servant that results in issued warnings, reprimands, or recommended
9 actions.

10 (b) Public records. Public records relating to the Commission's handling of
11 complaints, alleged unethical conduct, investigations, and proceedings are
12 exempt from public inspection and copying under the Public Records Act and
13 shall be kept confidential, except those public records required or permitted to
14 be released under this chapter. Records subject to public inspection and
15 copying under the Public Records Act shall include:

16 (1) investigation reports relating to alleged unethical conduct
17 determined to warrant a hearing pursuant to section 1227 of this title, but not
18 any undisclosed records gathered or created in the course of an investigation;

19 (2) at the request of the public servant or the public servant's designated
20 representative, investigation reports relating to alleged unethical conduct
21 determined to not warrant a hearing pursuant to section 1227 of this title, but

1 not any undisclosed records gathered or created in the course of an
2 investigation;

3 (3) evidence produced in the open and public portions of Commission
4 hearings;

5 (4) any warnings, reprimands, and recommendations issued by the
6 Commission; and

7 (5) any records, as determined by the Commission, that support a
8 warning, reprimand, recommendation, or executed resolution agreement,
9 including consultations created pursuant to subsection 1223(c) of this title and
10 investigation reports in accordance with subdivisions (1) and (2) of this
11 subsection.

12 (c) Court orders. Nothing in this section shall prohibit the disclosure of any
13 information regarding alleged unethical conduct pursuant to an order from a
14 court of competent jurisdiction, or to a State or federal law enforcement agency
15 in the course of its investigation, provided the agency agrees to maintain the
16 confidentiality of the information as provided in subsection (b) of this section.

17 * * * State Ethics Commission Membership * * *

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

19 (b) Membership.

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

1 (A) one member, appointed by the Chief Justice of the Supreme
2 Court;

3 (B) one member, appointed by the League of Women Voters of
4 Vermont, who shall be a member of the League;

5 (C) one member, appointed by the Board of Directors of the Vermont
6 Society of Certified Public Accountants, who shall be a member of the Society;

7 (D) one member, appointed by the Board of Managers of the
8 Vermont Bar Association, who shall be a member of the Association; ~~and~~

9 (E) one member, appointed by the Board of Directors of the SHRM
10 (Society for Human Resource Management) Vermont State Council, who shall
11 be a member of the Council; and

12 (F) one member, appointed by the Governor, who shall be a former
13 municipal officer.

14 * * *

15 * * * State Ethics Commission Staffing * * *

16 Sec. 16. 3 V.S.A. § 1221(c) is amended to read:

17 (c) Executive Director.

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

1 (1) the office of the Attorney General and State’s Attorneys’ offices, of
2 alleged violations of governmental conduct regulated by law and associated
3 crimes and including campaign finance requirements;

4 (2) the Department of Human Resources, of complaints alleging conduct
5 that violates the ethical provisions of the Department of Human Resources
6 Personnel Policy and Procedure Manual or of the State Code of Ethics;

7 (3) the Senate Ethics Panel, of alleged unethical conduct committed by
8 State Senators;

9 (4) the House Ethics Panel, of alleged unethical conduct committed by
10 State Representatives;

11 (5) the Judicial Conduct Board, of alleged unethical conduct committed
12 by a judicial officer;

13 (6) the Professional Responsibility Board, of alleged unethical conduct
14 committed by an attorney employed by the State; and

15 (7) the Office of the State Court Administrator, of complaints alleging
16 conduct that violates the ethical provisions of the Judicial Branch Personnel
17 Policy or of the State Code of Ethics, including for attorneys employed by the
18 State.

19 (b) Annually, on or before January 15, the State Ethics Commission shall
20 report to the General Assembly regarding the following issues:

21 (1) Complaints.

1 * * * Creation of Municipal Code of Ethics * * *

2 Sec. 22. 24 V.S.A. chapter 60 is added to read:

3 CHAPTER 60. MUNICIPAL CODE OF ETHICS

4 § 1991. DEFINITIONS

5 As used in this chapter:

6 (1) “Advisory body” means a public body that does not have
7 supervision, control, or jurisdiction over legislative, quasi-judicial, tax, or
8 budgetary matters.

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

11 (3) “Commission” means the State Ethics Commission established
12 under 3 V.S.A. chapter 31, subchapter 3.

13 (4) “Confidential information” means information that is exempt from
14 public inspection and copying under 1 V.S.A. § 315 et seq. or is otherwise
15 designated by law as confidential.

16 (5) “Conflict of interest” means a direct or indirect interest of a
17 municipal officer or such an interest, known to the officer, of a member of the
18 officer’s immediate family or household, or of a business associate, in the
19 outcome of a particular matter pending before the officer or the officer’s public
20 body, or that is in conflict with the proper discharge of the officer’s duties.

1 “Conflict of interest” does not include any interest that is not greater than that
2 of other individuals generally affected by the outcome of a matter.

3 (6) “Domestic partner” means an individual in an enduring domestic
4 relationship of a spousal nature with the municipal officer, provided the
5 individual and municipal officer:

6 (A) have shared a residence for at least six consecutive months;

7 (B) are at least 18 years of age;

8 (C) are not married to or considered a domestic partner of another
9 individual;

10 (D) are not related by blood closer than would bar marriage under
11 State law; and

12 (E) have agreed between themselves to be responsible for each
13 other’s welfare.

14 (7) “Immediate family” means an individual’s spouse, domestic partner,
15 or civil union partner; child or foster child; sibling; parent; or such relations by
16 marriage or by civil union or domestic partnership; or an individual claimed as
17 a dependent for federal income tax purposes.

18 (8) “Legislative body” means the selectboard in the case of a town, the
19 mayor, alderpersons, and city council members in the case of a city, the
20 president and trustees in the case of an incorporated village, the members of

1 the prudential committee in the case of a fire district, and the supervisor in the
2 case of an unorganized town or gore.

3 (9) “Municipal officer” or “officer” means:

4 (A) any member of a legislative body of a municipality;

5 (B) any member of a quasi-judicial body of a municipality; or

6 (C) any individual who holds the position of, or exercises the
7 function of, any of the following positions in or on behalf of any municipality:

8 (i) advisory budget committee member;

9 (ii) auditor;

10 (iii) building inspector;

11 (iv) cemetery commissioner;

12 (v) chief administrative officer;

13 (vi) clerk;

14 (vii) collector of delinquent taxes;

15 (viii) first constable;

16 (ix) lister or assessor;

17 (x) mayor;

18 (xi) moderator;

19 (xii) planning commission member;

20 (xiii) road commissioner;

21 (xiv) town or city manager;

1 (xv) treasurer;

2 (xvi) village or town trustee;

3 (xvii) trustee of public funds; or

4 (xviii) water commissioner.

5 (10) “Municipality” has the same meaning as in 1 V.S.A. § 126 but does
6 not include town or incorporated school districts.

7 (11) “Public body” has the same meaning as in 1 V.S.A. § 310.

8 (12) “Retaliate” or “retaliation” means:

9 (A) the discharge, suspension, reprimand, demotion, denial of
10 promotion, imposition of a performance warning period, involuntary transfer
11 or reassignment, or adverse employment action; or

12 (B) the use of official authority or position to deny, deprive, or
13 interfere with any right or privilege otherwise available to an individual under
14 the law.

15 § 1992. CONFLICTS OF INTEREST

16 (a) Duty to avoid conflicts of interest. In the municipal officer’s official
17 capacity, the officer shall avoid any conflict of interest or the appearance of a
18 conflict of interest. The appearance of a conflict shall be determined from the
19 perspective of a reasonable individual with knowledge of the relevant facts.

20 (b) Recusal.

1 (1) If a municipal officer is confronted with a conflict of interest or the
2 appearance of one, the officer shall immediately recuse themselves from the
3 matter, except as otherwise provided in subdivisions (2) and (5) of this
4 subsection, and not take further action on the matter or participate in any way
5 or act to influence a decision regarding the matter. After recusal, an officer
6 may still take action on the matter if the officer is a party, as defined by section
7 1201 of this title, in a contested hearing or litigation and acts only in their
8 capacity as a member of the public. The officer shall make a public statement
9 explaining the officer’s recusal.

10 (2)(A) Notwithstanding subdivision (1) of this subsection (b), an officer
11 may continue to act in a matter involving the officer’s conflict of interest or
12 appearance of a conflict of interest if the officer first:

13 (i) determines there is good cause for the officer to proceed,
14 meaning:

15 (I) the conflict is amorphous, intangible, or otherwise
16 speculative;

17 (II) the officer cannot legally or practically delegate the matter;

18 or

19 (III) the action to be taken by the officer is purely ministerial
20 and does not involve substantive decision-making; and

1 (ii) the officer submits a written nonrecusal statement to the
2 legislative body of the municipality regarding the nature of the conflict that
3 shall:

4 (I) include a description of the matter requiring action;

5 (II) include a description of the nature of the potential conflict
6 or actual conflict of interest;

7 (III) include an explanation of why good cause exists so that
8 the municipal officer can take action in the matter fairly, objectively, and in the
9 public interest;

10 (IV) be written in plain language and with sufficient detail so
11 that the matter may be understood by the public; and

12 (V) be signed by the municipal officer.

13 (B) Notwithstanding subsection (A) of this subdivision (2), a
14 municipal officer that would benefit from any contract entered into by the
15 municipality and the officer, the officer's immediate family, or an associated
16 business of the officer or the officer's immediate family, and whose official
17 duties include execution of that contract, shall recuse themselves from any
18 decision-making process involved in the awarding of that contract.

19 (C) Notwithstanding subsection (A) of this subdivision (2), a
20 municipal officer shall not continue to act in a matter involving the officer's
21 conflict of interest or appearance of a conflict of interest if authority granted to

1 another official or public body elsewhere under law is exercised to preclude
2 the municipal officer from continuing to act in the matter.

3 (3) If an officer’s conflict of interest or the appearance of a conflict of
4 interest concerns an official act or actions that take place outside a public
5 meeting, the officer’s nonrecusal statement shall be filed with the clerk of the
6 municipality and be available to the public for the duration of the officer’s
7 service plus a minimum of five years.

8 (4) If an officer’s conflict of interest is related to an official municipal
9 act or actions considered at a public meeting, the officer’s nonrecusal
10 statement shall be filed as part of the minutes of the meeting of the public body
11 in which the municipal officer serves.

12 (5) If, at a meeting of a public body, an officer becomes aware of a
13 conflict of interest or the appearance of a conflict of interest for the officer and
14 the officer determines there is good cause to proceed, the officer may proceed
15 with the matter after announcing and fully stating the conflict on the record.
16 The officer shall submit a written nonrecusal statement pursuant to subdivision
17 (2) of this subsection within five business days after the meeting. The meeting
18 minutes shall be subsequently amended to reflect the submitted written
19 nonrecusal statement.

20 (c) Authority to inquire about conflicts of interest. If a municipal officer is
21 a member of a public body, the other members of that body shall have the

1 authority to inquire of the officer about any possible conflict of interest or any
2 appearance of a conflict of interest and to recommend that the member recuse
3 themselves from the matter.

4 (d) Confidential information. Nothing in this section shall require a
5 municipal officer to disclose confidential information or information that is
6 otherwise privileged under law.

7 § 1993. PROHIBITED CONDUCT

8 (a) Directing unethical conduct. A municipal officer shall not direct any
9 individual to act in a manner that would:

10 (1) benefit a municipal officer in a manner related to the officer's
11 conflict of interest;

12 (2) create a conflict of interest or the appearance of a conflict of interest
13 for the officer or for the directed individual; or

14 (3) otherwise violate the Municipal Code of Ethics as described in this
15 chapter.

16 (b) Preferential treatment. A municipal officer shall act impartially and not
17 unduly favor or prejudice any person in the course of conducting official
18 business. An officer shall not give, or represent an ability to give, undue
19 preference or special treatment to any person because of the person's wealth,
20 position, or status or because of a person's personal relationship with the
21 officer, unless otherwise permitted or required by State or federal law.

1 (c) Misuse of position. A municipal officer shall not use the officer's
2 official position for the personal or financial gain of the officer, a member of
3 the officer's immediate family or household, or the officer's business
4 associate.

5 (d) Misuse of information. A municipal officer shall not use nonpublic or
6 confidential information acquired during the course of official business for
7 personal or financial gain of the officer or for the personal or financial gain of
8 a member of the officer's immediate family or household or of an officer's
9 business associate.

10 (e) Misuse of government resources. A municipal officer shall not make
11 use of a town's, city's, or village's materials, funds, property, personnel,
12 facilities, or equipment, or permit another person to do so, for any purpose
13 other than for official business unless the use is expressly permitted or required
14 by State law; ordinance; or a written agency, departmental, or institutional
15 policy or rule. An officer shall not engage in or direct another person to
16 engage in work other than the performance of official duties during working
17 hours, except as permitted or required by law or a written agency,
18 departmental, or institutional policy or rule.

19 (f) Gifts.

20 (1) No person shall offer or give to a municipal officer or candidate, or
21 the officer's or candidate's immediate family, anything of value, including a

1 gift, loan, political contribution, reward, or promise of future employment
2 based on any understanding that the vote, official action, or judgment of the
3 municipal officer or candidate would be, or had been, influenced thereby.

4 (2) A municipal officer or candidate shall not solicit or accept anything
5 of value, including a gift, loan, political contribution, reward, or promise of
6 future employment based on any understanding that the vote, official action, or
7 judgment of the municipal officer or candidate would be or had been
8 influenced thereby.

9 (3) Nothing in subdivision (1) or (2) of this subsection shall be
10 construed to apply to any campaign contribution that is lawfully made to a
11 candidate or candidate's committee pursuant to 17 V.S.A. chapter 61 or to
12 permit any activity otherwise prohibited by 13 V.S.A. chapter 21.

13 (g) Unauthorized commitments. A municipal officer shall not make
14 unauthorized commitments or promises of any kind purporting to bind the
15 municipality unless otherwise permitted by law.

16 (h) Benefit from contracts. A municipal officer shall not benefit from any
17 contract entered into by the municipality and the officer, the officer's
18 immediate family, or an associated business of the officer or the officer's
19 immediate family, unless:

20 (1) the benefit is not greater than that of other individuals generally
21 affected by the contract;

1 (2) the contract is a contract for employment with the municipality;

2 (3) the contract was awarded through an open and public process of
3 competitive bidding; or

4 (4) the total value of the contract is less than \$2,000.00.

5 § 1994. GUIDANCE AND ADVISORY OPINIONS

6 (a) Guidance.

7 (1) The Executive Director of the State Ethics Commission may provide
8 guidance only to a municipal officer and only with respect to the officer's
9 duties regarding any provision of this chapter or regarding any other issue
10 related to governmental ethics.

11 (2) The Executive Director may consult with members of the State
12 Ethics Commission and the municipality in preparing this guidance.

13 (3) Guidance provided under this subsection shall be exempt from
14 public inspection and copying under the Public Records Act and shall be kept
15 confidential unless the receiving entity has publicly disclosed it.

16 (b) Advisory opinions.

17 (1) On the written request of any municipal officer, the Executive
18 Director may issue an advisory opinion to that officer that provides general
19 advice or interpretation with respect to the officer's duties regarding any
20 provision of this chapter or regarding any other issue related to governmental
21 ethics.

1 (2) The Executive Director may consult with members of the
2 Commission and the municipality in preparing these advisory opinions.

3 (3) The Executive Director may seek comment from persons interested
4 in the subject of an advisory opinion under consideration.

5 (4) The Executive Director shall post on the Commission’s website any
6 advisory opinions that the Executive Director issues. Personally identifiable
7 information is exempt from public inspection and copying under the Public
8 Records Act and shall be kept confidential unless the municipal officer who is
9 the subject of the advisory opinion authorizes the publication of the personally
10 identifiable information.

11 § 1995. ETHICS TRAINING

12 (a) Initial ethics training. Within 120 days after a municipal officer is
13 elected or appointed, the officer shall complete ethics training, as approved by
14 the State Ethics Commission. The officer, the officer’s employer, or another
15 individual designated by the municipality shall document the officer’s
16 completed ethics training.

17 (b) Continuing ethics training. Upon completing initial ethics training, a
18 municipal officer shall complete additional ethics training, as determined by
19 the State Ethics Commission, every three years.

20 (c) Approval of training. Ethics trainings shall at minimum reflect the
21 contents of the Municipal Ethics Code and be approved by the State Ethics

1 Commission. Approval of ethics trainings shall not be unreasonably withheld.
2 Ethics trainings shall be conducted by the State Ethics Commission, the
3 municipality, or a third party approved in advance by the State Ethics
4 Commission. The State Ethics Commission may approve trainings that are in
5 person, online, and synchronous or asynchronous. The State Ethics
6 Commission shall require ethics training to be designed in a manner as to
7 achieve improved competency in the subject matter rather than rely on fixed
8 hours of training as a measure of completed training. The training shall
9 include information approved by the Secretary of State regarding the State’s
10 Open Meeting Law and the State’s Public Records Act.

11 (d) Training provided by the Commission.

12 (1) The State Ethics Commission shall develop and make available to
13 municipalities ethics training required of municipal officers by subsections (a)
14 and (b) of this section.

15 (2) The Commission shall develop and make available to municipalities
16 trainings regarding how to investigate and resolve complaints that allege
17 violations of the Municipal Code of Ethics.

18 (e) State Ethics Commission liaisons. Each municipality, acting through its
19 legislative body, shall designate an employee as its liaison to the State Ethics
20 Commission. If a municipality does not have any employees, the legislative
21 body shall designate one of its members as its liaison to the State Ethics

1 Commission. The municipality shall notify the Commission in writing of any
2 newly designated liaison within 30 days after such change. The Commission
3 shall disseminate information to the designated liaisons and conduct
4 educational seminars for designated liaisons on a regular basis on a schedule to
5 be determined by the Commission, in consultation with the municipality. The
6 Commission shall report any ethics training conducted by the Commission and
7 completed by an officer to the liaison of that officer's municipality.

8 § 1996. ENFORCEMENT AND REMEDIES

9 Each municipality shall:

10 (1) ensure that the Municipal Code of Ethics is posted on the town's,
11 city's, or village's website or, if no such website exists, ensure that a copy of
12 the Municipal Code of Ethics is received by all municipal officers and is made
13 available to the public upon request;

14 (2) maintain a record of municipal officers who have received ethics
15 training pursuant to section 1995 of this title;

16 (3) designate a municipal officer or body to receive complaints alleging
17 violations of the Municipal Code of Ethics;

18 (4) where appropriate or necessary, investigate complaints that allege
19 violations of the Municipal Code of Ethics;

1 (5) maintain a record of received complaints and the disposition of each
2 complaint made against a municipal officer for the duration of the municipal
3 officer’s service plus a minimum of five years; and

4 (6) upon request of the State Ethics Commission, promptly provide the
5 State Ethics Commission with a summary of complaints received by the
6 municipality and the outcome of each complaint, but excluding any personally
7 identifiable information.

8 § 1997. WHISTLEBLOWER PROTECTION

9 (a) Protected disclosure. Consistent with 3 V.S.A. §§ 971–978, any
10 municipal officer, municipal employee, or any other individual shall be free to
11 disclose, in good faith and with candor, any fraud, abuse of authority,
12 violations of law, or violations of this or other applicable codes regarding
13 ethical conduct, to any relevant public body, including the municipality’s
14 legislative body and the State Ethics Commission, without fear of reprisal,
15 intimidation, or retaliation.

16 (b) Antiwhistleblower policies. A municipal officer, legislative body, or
17 public body shall not make, adopt, or enforce any policy or practice preventing
18 the disclosure of fraud, abuse of authority, violations of law, or violations of
19 this or other applicable codes regarding ethical conduct.

20 (c) Civil action.

1 (1) To avail themselves of any remedies under this section, an injured
2 individual must have:

3 (A) at the time of discovering the violation, then disclosed in writing
4 to the relevant public body of the violation; and

5 (B) in that disclosure, clearly alleged the conduct constituting fraud,
6 abuse of authority, or violations of law, or violations of this or other applicable
7 codes regarding ethical conduct.

8 (2) An individual who has been the object of retaliation in violation of
9 this section may bring a civil action against the municipality and the municipal
10 officer in the Civil Division of the Superior Court for relief within one year
11 after discovering the retaliation, or within three years after the retaliation,
12 whichever is earlier.

13 (3) An individual who brings a claim in the Civil Division of the
14 Superior Court may be awarded the following remedies:

15 (A) appropriate injunction relief;

16 (B) reinstatement of the employee to the same position, seniority, and
17 work location held prior to the retaliatory action;

18 (C) back pay, lost wages, benefits, and other remuneration;

19 (D) other compensatory damages;

20 (E) reasonable costs and attorney's fees; and

21 (F) punitive damages not to exceed \$5,000.00.

1 § 1998. MUNICIPAL CHARTERS; SUPPLEMENTAL ETHICS POLICIES

2 (a) To the extent any provisions of this chapter conflict with the provisions
3 of any municipal charter listed in Title 24 Appendix, the provisions of this
4 chapter shall prevail.

5 (b) A municipality may adopt additional ethics or personnel policies,
6 provided that these are not in conflict with the provisions of this chapter.

7 * * * Initial Ethics Training for In-Office Municipal Officers * * *

8 Sec. 23. INITIAL ETHICS TRAINING FOR IN-OFFICE MUNICIPAL
9 OFFICERS

10 On or before May 1, 2025, all municipal officers shall complete ethics
11 training, which may be in person or online, as approved by the State Ethics
12 Commission, unless they have otherwise completed ethics training pursuant to
13 24 V.S.A § 1995 (ethics training). The State Ethics Commission shall require
14 ethics training to be designed in a manner as to achieve improved competency
15 in the subject matter rather than rely on fixed hours of training as a measure of
16 completed training. The training shall include information approved by the
17 Secretary of State regarding the State’s Open Meeting Law and the State’s
18 Public Records Act. The officer, the officer’s employer, or another individual
19 designated by the municipality shall document the officer’s completed ethics
20 training.

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* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 (amending 17 V.S.A. § 2414) shall take effect on January 1, 2026 and Secs. 7 (amending 3 V.S.A. § 1221(a)), 8 (amending 3 V.S.A. § 1222), 9 (amending 3 V.S.A. § 1223), 10 (adding 3 V.S.A. § 1227), 11 (adding 3 V.S.A. § 1228), 12 (adding 3 V.S.A. § 1229), and 14 (adding 3 V.S.A. § 1231) shall take effect on January 1, 2025.

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE