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COMMITTEE REPORT

January 24, 2017

**H. 3497**

Introduced by Rep. Pitts

S. Printed 1/24/17--H.

Read the first time January 18, 2017.

**THE COMMITTEE ON RULES**

To whom was referred a House Resolution (H. 3497) to amend Rule 4.16 of the Rules of the House of Representatives, relating to the House of Representatives Legislative Ethics Committee, so as to revise the duties, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

ALAN D. CLEMMONS for Committee.

**A** **HOUSE RESOLUTION**

TO AMEND RULE 4.16 OF THE RULES OF THE HOUSE OF REPRESENTATIVES, RELATING TO THE HOUSE OF REPRESENTATIVES LEGISLATIVE ETHICS COMMITTEE, SO AS TO REVISE THE DUTIES OF THE COMMITTEE REGARDING DETERMINING COMPLIANCE WITH DISCLOSURE REQUIREMENTS, TO REVISE COMPLAINT PROCEDURES AND TO PROVIDE MORE DETAILED PROCEDURES RELATING TO COMPLAINTS AND INVESTIGATIONS, TO ALLOW THE COMMITTEE TO LEVY AN ENFORCEMENT OR ADMINISTRATIVE FEE TO REIMBURSE THE COMMITTEE FOR ASSOCIATED COSTS OF AN INVESTIGATION AND HEARING OF A VIOLATION, AND TO PROVIDE PROCEDURES AFTER A FINDING OF PROBABLE CAUSE REGARDING WHEN CERTAIN DOCUMENTS BECOME PUBLIC RECORD.

Be it resolved by the House of Representatives:

That Rule 4.16 of the Rules of the House of Representatives is amended to read:

“**4.16** A. The House of Representatives Legislative Ethics Committee (Committee) consists of ten (10) members. The ten members of the House of Representatives Legislative Ethics Committee shall be elected by the members of the House. Five members of the committee shall be members of the majority party represented in the House of Representatives and five members shall be members of the minority party represented in the House of Representatives or be nonaffiliated with any party or another party not in the majority. The Chairman of the Ethics Committee shall be one of the five members of the committee from the majority party represented in the House to be elected by the members of the committee. Other officers of the committee are not required to be affiliated with a particular party and shall be elected by members of the committee as well.

B. Jurisdiction

(1) The committee shall have jurisdiction over individuals and entities pursuant to Chapter 13, Title 8.

(2) No matter shall be considered later than four years after the violation allegedly occurred.

(3) No complaint may be accepted by the Ethics Committee concerning a member of or candidate for the House during the fifty‑day period before an election in which the member or candidate is participating.

C. Duties

The committee shall:

(1) ascertain whether a person has failed to comply fully and accurately with the disclosure requirements of this Chapter 13, Title 8, which may include, but are not limited to, an audit of filed reports and applicable campaign bank statements, and to promptly notify the person to file the necessary notices and reports to satisfy the requirements of this Chapter 13, Title 8;

(2) receive complaints or allegations concerning any person under the jurisdiction of the committee alleging a violation of Chapter 13, Title 8 or Chapter 17, Title 2 and refer any complaint except for a complaint regarding a violation of the rules of the House of Representatives to the State Ethics Commission (commission) for investigation in compliance with Sections 8‑13‑530 through 8‑13‑550;

~~(2)~~(3) upon a majority vote of the members of the committee initiate a complaint concerning any person under the jurisdiction of the committee alleging a violation of Chapter 13, Title 8 or Chapter 17, Title 2 and refer the complaint for investigation to the commission except for a complaint concerning a violation of the rules of the House of Representatives;

~~(3)~~(4) cause to be investigated any complaints or allegations regarding a violation of the rules of the House of Representatives or technical violation;

~~(4)~~(5) upon request of any member, officer, or employee of the House render committee advisory opinions with regard to legislative ethics when, in its judgment, these opinions would serve the public interest. Such advisory opinions shall serve as binding precedent for the committee until specifically altered or withdrawn;

~~(5)~~(6) act as an advisory body to the House and to individual members of or candidates for the House on questions pertaining to Chapter 13, Title 8 or Chapter 17, Title 2;

~~(6)~~(7) issue through its staff a written informal advisory opinion, based on real or hypothetical sets of circumstances, to a person or entity within the committee’s jurisdiction upon that person’s or entity’s request. If an informal advisory opinion is raised as a defense in response to a complaint, the committee shall consider whether the respondent is the person who requested the informal advisory opinion or is a member of the entity that requested the informal opinion. The committee also shall consider the accuracy of the facts presented in the informal advisory opinion and determine whether the respondent relied in good faith upon the written informal advisory opinion. The committee shall consider this information prior to making a probable cause determination;

~~(7)~~(8) administer or recommend appropriate sanctions or dismiss charges as the result of a properly filed complaint including a complaint which has been investigated by the commission;

~~(8)~~(9) ascertain whether a person has failed to comply fully and accurately with the disclosure requirements of Chapter 13, Title 8 and promptly notify the person to file the necessary disclosures to satisfy the requirements and assess and collect any fines or fees authorized by state law for the failure to timely file a disclosure statement; and

~~(9)~~(10) recommend a rule or statutory change relating to ethics as the committee deems appropriate.

D. Complaints and Investigations

(1) ~~Complaints must be written, sworn, and contain allegations of specific conduct believed to be a violation within the jurisdiction of the committee.~~ Complaints must be verified in writing and state the name of the person alleged to have committed the violation and the particulars of the violation.

(2) When a complaint is filed with or by the committee, a copy must be sent to the person alleged to have committed the violation, the respondent, and to the commission for investigation, except for a complaint alleging a violation of the rules of the House of Representatives, within thirty days from the date the complaint was filed ~~and prior to the initiation of any investigation~~.

(3) If the committee determines that the complaint regarding a violation of the rules of the House of Representatives alleges facts sufficient to constitute a violation, an investigation shall be conducted into the alleged violation.

(4) Upon the initiation of an investigation by the committee, pursuant to Rule 4.16D.(3) the committee shall notify the respondent of what matters it intends to investigate and the respondent shall have the opportunity to submit a written response to any complaint or allegations being investigated within thirty days of being notified by the committee. Any complaint referred to the commission by the committee will be handled in accordance with Sections 8‑13‑530 through 8‑13‑550.

(5) After the investigation of a complaint referred to the commission and the commission subsequently provides a report to the committee with a recommendation that there is probable cause to believe a violation of Chapter 13, Title 8 or of Chapter 17, Title 2 has occurred, the committee may then concur or nonconcur with the commission’s recommendation, or within forty‑five days from the committee’s receipt of the report, submit a request to the commission to continue the investigation in order to review information previously received or consider additional matters not considered by the commission.

(6) If, after reviewing the commission’s recommendation and relevant evidence, the committee determines that there is not competent and substantial evidence of a violation of Chapter 13, Title 8 or of Chapter 17, Title 2 has occurred, the committee shall dismiss the complaint and send a written decision to the respondent and the complainant. The notice of dismissal must be made public if the commission made a recommendation that probable cause existed.

(7) If, after reviewing the commission’s recommendation and relevant evidence, the committee determines that the respondent has committed only a technical violation pursuant to Section 8‑13‑1170 or 8‑13‑1372, then the provisions of the appropriate section apply.

(8) If, after reviewing the commission’s recommendation and relevant evidence, the committee determines that there is competent and substantial evidence that a violation of Chapter 13, Title 8 or of Chapter 17, Title 2 has occurred, except for a technical violation of Section 8‑13‑1170 or 8‑13‑1372, the committee shall, as appropriate:

(a) render an advisory opinion to the respondent and require the respondent’s compliance within a reasonable time; or

(b) convene a formal public hearing on the matter within thirty days.

(9) The committee may obtain its own information, or request additional investigation by the commission, if it needs additional information to make a determination as to whether or not competent and substantial evidence of a violation exists.

(10) The committee may compel testimony and issue subpoenas for the procurement of witnesses and materials including books, papers, records, documents, or other tangible objects relevant to its investigation by approval of the chairman or a majority of the committee membership, subject to judicial enforcement as provided by law. The committee may administer oaths and affirmation for the testimony. A person to whom a subpoena has been issued may move before the committee for an order quashing a subpoena issued pursuant to this rule.

~~(6)~~(11) If the committee determines that assistance is needed in conducting an investigation, the committee shall request the assistance of appropriate agencies.

~~(7)~~(12) ~~Upon completion of the committee’s investigation, the committee shall make a determination as to whether there is probable cause to believe a violation under its jurisdiction has occurred. If the committee determines that there is no probable cause it shall dismiss the complaint. If probable cause is found the committee may either:~~

~~(a)~~ ~~render an advisory opinion to the respondent and require the respondent’s compliance within a reasonable time; or~~

~~(b)~~ ~~convene a formal public hearing on the matter within thirty days.~~ If the committee determines that there is no probable cause it shall dismiss the complaint.

~~(8)~~(13) The committee shall refer any matters, regardless of a finding of probable cause, that are violations of law not under its jurisdiction to the appropriate law enforcement or regulatory agency.

E. Formal Public Hearings

(1) All formal public hearings of the committee must be open to the public subject to the provisions of the Freedom of Information Act (Chapter 4, Title 30).

(2) The investigator or attorney handling the investigation concerning a violation of the rules of the House of Representatives or a technical violation for the committee shall present the evidence related to the complaint at any public hearing and shall not serve as counsel to the committee during the hearing.

(3) ~~It is the duty of the investigator or attorney to further investigate the subject of the complaint and any related matters under the jurisdiction and at the direction of the committee, to request assistance from appropriate state agencies as needed, to request authorization from the House of Representatives for funds for the hiring of auditors, investigators, or other assistance as necessary, to prepare subpoenas, and to present evidence to the committee at any public hearing. The committee shall maintain the authority to approve subpoenas, dismiss complaints, schedule hearings, grant continuances, and any other authority as provided for by the rules.~~ The investigator or attorney handling the investigation for the commission shall present the evidence related to the complaint to the committee.

(4) It is the duty of the investigator or attorney to further investigate the subject of the complaint and any related matters under the jurisdiction and at the direction of the committee, to request assistance from appropriate state agencies as needed, to request authorization from the committee for funds for the hiring of auditors, investigators, or other assistance as necessary, to prepare subpoenas, and to present evidence to the committee at any public hearing.

(5) The respondent must be allowed to examine and make copies of all evidence in the committee’s possession relating to the charges. At the hearing the respondent must be afforded appropriate due process protections, including the right to be represented by counsel, the right to call and examine witnesses, the right to introduce exhibits, and the right to cross examine opposing witnesses. The committee shall issue subpoenas for the attendance of witnesses requested by the respondent pursuant to these rules.

~~(5)~~(6) The committee may deliberate in executive session but must render its findings of fact and issue any sanctions in a public hearing.

F. Sanctions

(a) If the committee finds the respondent has committed a violation within the committee’s jurisdiction it shall:

(1) administer a public reprimand;

(2) determine that a technical violation as provided for in Section 8‑13‑1170 or 8‑13‑1372 has occurred;

(3) require the respondent to pay a civil penalty not to exceed two thousand dollars for each nontechnical violation that is unrelated to the late filing of a required statement or report or failure to file a required statement or report;

(4) require the forfeiture of gifts, receipts, or profits, or the value of each, obtained in violation of Chapter 13, Title 8 or Chapter 17, Title 2;

(5) recommend expulsion of the member;

(6) provide a copy of the complaint and accompanying materials to the Attorney General if the committee finds that there is probable cause to support the existence of criminal intent on the part of the respondent when the violation occurred;

(7) require a combination of items (1) though (6) as necessary and appropriate.

(b) ~~The committee shall report its findings in writing to the Speaker of the House of Representatives. The report must be accompanied by an order of punishment and supported and signed by a majority of the ethics committee members. If the committee finds the respondent has not violated a code or statutory provision, it shall dismiss the charges.~~ The committee may levy an enforcement or administrative fee on a person found in violation or who admits to a violation, pursuant to Title 2 or Title 8, to reimburse the committee for costs associated with the investigation and hearing of a violation as provided in Section 8‑13‑130.

(c) The committee shall report its findings in writing to the Speaker of the House of Representatives. The report must be accompanied by an order of punishment and supported and signed by a majority of the Ethics Committee members. If the committee finds the respondent has not violated a code or statutory provision, it shall dismiss the charges.

~~(c)~~(d) The complainant or respondent has ten days from the date of the notification of the committee’s action to appeal the action to the full legislative body by written notice to the Speaker of the House.

G. Confidentiality

(1) All investigations and accompanying documents are confidential and only may be released pursuant to this rule.

(2) The respondent or his counsel may, by written notice, waive the confidentiality requirement. The committee shall not accept any partial waivers.

(3) After a finding of probable cause by a majority of the committee ~~or a waiver by the respondent, the following documents become public record: the complaint, the response by the respondent, the notice of hearing, exhibits introduced at a hearing, the committee’s findings, and the final order~~ or after the dismissal of a complaint after the commission’s finding of probable cause, or a complete, written waiver by the respondent, the following documents become public record: the complaint, the response by the respondent, and, if applicable, the committee’s notice of dismissal. After a public hearing, the following documents become public record: the notice of hearing, exhibits introduced at a hearing, the committee’s findings, and the final order. Exhibits introduced must be redacted prior to release to exclude personal information when the public disclosure would constitute an unreasonable invasion of personal privacy including, but not limited to, social security and bank account numbers.

H. General Provisions

(1) Unless otherwise indicated by rule or statute, all meetings, deliberations, actions, issuance of advisory opinions, debates, recommendations, and other activities of the committee are subject to the provisions of the Freedom of Information Act (Chapter 4, Title 30).

(2) In an instance when the statutory process of amending a required disclosure form cannot adequately correct an error or omission contained in the form, persons subject to the jurisdiction of the committee may request that the committee correct the original filing electronically. All requests must be made to the committee in writing, containing the specific error or omission to be corrected and an explanation as to why the statutory amendment process is not adequate. The request is considered public and must be supported by a vote of a majority of the committee to be carried out. The committee will maintain a record of requests made and changes made for no less than five years.

(3) Notwithstanding Section 8‑13‑1340, a member of the House shall not, directly or indirectly, establish, finance, maintain, or control any entity including, but not limited to, a noncandidate committee that receives or makes contributions as defined in Section 8‑13‑1300. This rule does not apply to a candidate committee or a legislative caucus committee.

(4) The Clerk of the House shall, in consultation with the Chairman of the Ethics Committee, cause to be employed by the House of Representatives, counsel exclusively for the purpose of providing legal advice and counsel to the Ethics Committee. Counsel employed for this purpose shall not be employed by or with any office within the House of Representatives other than the office of the Clerk of the House.”

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