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Legislative Document

No. 69

H.P. 72

House of Representatives, January 22, 2013

**An Act To Strengthen Financial Disclosure Laws for the Legislative
and Executive Branches of State Government**

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GOODE of Bangor.
Cosponsored by Representative: RUSSELL of Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 1 MRSA §1012, sub-§4, ¶A,** as enacted by PL 1989, c. 561, §4, is
3 amended to read:

4 A. Gifts received from a single source during the reporting period with an aggregate
5 value of ~~\$300~~ \$200 or less;

6 **Sec. 2. 1 MRSA §1016-G, sub-§1,** as enacted by PL 2011, c. 634, §11, is
7 amended to read:

8 **1. Content of statement.** The name and, where applicable, the job title of the
9 individual earning or receiving the income must be disclosed, unless otherwise noted.
10 Each source of income must be identified by name, address and principal type of
11 economic or business activity. If disclosure of this type is prohibited by statute, rule or an
12 established code of professional ethics, it is sufficient for the Legislator to specify the
13 principal type of economic or business activity from which the income is derived.

14 The statement must identify:

15 A. If the Legislator is an employee of another person, firm, corporation, association
16 or organization that has provided the Legislator with compensation of \$2,000 or
17 more, the name and address of the employer. The Legislator shall identify the title
18 and position held by the Legislator;

19 B. If the Legislator is self-employed, the name and address of the Legislator's
20 business and each source of income derived from self-employment that represents
21 more than 10% of the Legislator's gross income from self-employment or \$2,000,
22 whichever is greater;

23 C. The name, address and principal economic or business activity of any corporation,
24 partnership, limited liability company or other business in which the Legislator or
25 members of the Legislator's immediate family own or control, directly or indirectly,
26 more than 50% of the outstanding equity, whether individually or in the aggregate,
27 that has received revenue of \$2,000 or more;

28 D. Each source of income of \$2,000 or more the Legislator derived from providing
29 services as an attorney, the major areas of law practiced by the Legislator and, if
30 associated with a law firm, the major areas of practice of the firm;

31 E. Each source of income of \$2,000 or more received by the Legislator;

32 F. The specific source of each gift received by the Legislator and the annual total
33 value of all gifts received from each source;

34 G. Each source of income of \$2,000 or more received by any member of the
35 immediate family of the Legislator, except that the Legislator is not required to
36 identify the names of dependent children. If the member of the Legislator's
37 immediate family received income of \$2,000 or more in compensation, the Legislator
38 shall identify the source of the compensation, the type of the economic activity and
39 the title of the position held by the immediate family member;

1 H. Each source of honoraria of \$2,000 or more that the Legislator accepted and the
2 annual total value of all of those honoraria received from each source;

3 I. Each executive branch agency before which the Legislator or any immediate
4 family member has represented or assisted others for compensation;

5 J. Each state governmental agency, board or commission to which the Legislator, a
6 member of the Legislator's immediate family or an associated organization has sold,
7 rented or leased goods or services with a value of \$10,000 or more during the
8 preceding calendar year and a description of the goods or services sold, rented or
9 leased and the annual total value of all of those goods or services sold, rented or
10 leased to each agency, board or commission;

11 K. Each organization that is required under Title 21-A, chapter 13 to register with the
12 commission as a political action committee or ballot question committee for which
13 the Legislator is a treasurer, principal officer or principal fund-raiser or decision
14 maker;

15 L. Any offices, trusteeships, directorships or positions of any nature, whether
16 compensated or uncompensated, held by the Legislator or a member of the
17 Legislator's immediate family with any for-profit or nonprofit firm, corporation,
18 association, limited liability company, partnership or business. For the purposes of
19 this paragraph, service as a clerk of a corporation or as a registered agent authorized
20 to receive service of any process, notice or other demand for a business entity is not
21 considered a position with the corporation or business entity; and

22 M. All reportable liabilities incurred by the Legislator or a member of the
23 Legislator's immediate family during the reporting period.

24 For each source of income required to be reported under this subsection, the statement
25 must identify whether the amount of income exceeds the minimum required for reporting
26 purposes but is less than \$5,000, the amount of income equals or exceeds \$5,000 but is
27 less than \$25,000, the amount of income equals or exceeds \$25,000 but is less than
28 \$100,000 or the amount of income equals or exceeds \$100,000.

29 **Sec. 3. 5 MRSA §18, sub-§3-A** is enacted to read:

30 **3-A. Restriction on employment of former executive employee.** A former
31 executive employee in a major policy-influencing position listed in chapter 71 commits a
32 civil violation if the former executive employee, during the 12-month period immediately
33 following termination of employment as an executive employee, accepts compensation
34 for employment with, or under a contract to provide services during that period to, a
35 person that is engaged in a business activity that is regulated by the state or quasi-state
36 agency by which the former executive employee was employed.

37 **Sec. 4. 5 MRSA §19, sub-§1, ¶E,** as amended by PL 2009, c. 524, §1, is further
38 amended to read:

39 E. "Gift" means anything of value, including forgiveness of an obligation or debt,
40 given to a person without that person providing equal or greater consideration to the
41 giver. "Gift" does not include:

- 1 (1) Gifts received from a single source during the reporting period with an
2 aggregate value of ~~\$300~~ \$200 or less;
- 3 (2) A bequest or other form of inheritance; and
- 4 (3) A gift received from a relative or from an individual on the basis of a
5 personal friendship as long as that individual is not a registered lobbyist or
6 lobbyist associate under Title 3, section 313, unless the employee has reason to
7 believe that the gift was provided because of the employee's official position and
8 not because of a personal friendship.

9 **Sec. 5. 5 MRSA §19, sub-§2**, as repealed and replaced by PL 2011, c. 634, §19,
10 is amended to read:

11 **2. Content of statement.** Each executive employee shall annually file with the
12 Commission on Governmental Ethics and Election Practices a statement identifying the
13 sources of income received, positions held and reportable liabilities incurred during the
14 preceding calendar year by the executive employee or members of the executive
15 employee's immediate family. The name and, where applicable, the job title of the
16 individual earning or receiving the income must be disclosed, unless otherwise noted.
17 Each source of income must be identified by name, address and principal type of
18 economic or business activity. If disclosure of this type is prohibited by statute, rule or an
19 established code of professional ethics, it is sufficient for the executive employee to
20 specify the principal type of economic or business activity from which the income is
21 derived.

22 The statement must identify:

- 23 A. If the executive employee is an employee of another person, firm, corporation,
24 association or organization that has provided the executive employee with
25 compensation of \$2,000 or more, the name and address of the employer;
- 26 B. If the executive employee is self-employed, the name and address of the executive
27 employee's business and each source of income derived from self-employment that
28 represents more than 10% of the employee's gross income from self-employment or
29 \$2,000, whichever is greater;
- 30 H. The name, address and principal economic or business activity of any
31 corporation, partnership, limited liability company or other business in which the
32 executive employee or members of the employee's immediate family own or control,
33 directly or indirectly, more than 50% of the outstanding equity, whether individually
34 or in the aggregate, that has received revenue of \$2,000 or more;
- 35 I. Each source of income of \$2,000 or more the executive employee derived from
36 providing services as an attorney, the major areas of law practiced by the executive
37 employee and, if associated with a law firm, the major areas of practice of the firm;
- 38 J. Each additional source of income of \$2,000 or more received by the executive
39 employee;
- 40 K. The specific source of each gift received by the executive employee and the
41 annual total value of all gifts received from each source;

- 1 L. Each source of income of \$2,000 or more received by any member of the
2 immediate family of the executive employee, except that the employee is not required
3 to identify the names of dependent children. If the member of the executive
4 employee's immediate family received income of \$2,000 or more in compensation,
5 the executive employee shall identify the source of the compensation, the type of the
6 economic activity and the title of the position held by the immediate family member;
- 7 M. Each source of honoraria of \$2,000 or more that the executive employee accepted
8 and the annual total value of all of those honoraria received from each source;
- 9 N. Each executive branch agency before which the executive employee or a member
10 of the employee's immediate family has represented or assisted others for
11 compensation;
- 12 O. Each state governmental agency, board or commission to which the executive
13 employee, a member of the employee's immediate family or an associated
14 organization has sold, rented or leased goods or services with a value of \$10,000 or
15 more during the preceding calendar year and a description of the goods or services
16 sold, rented or leased and the annual total value of all of those goods or services sold,
17 rented or leased to each agency, board or commission;
- 18 P. Each organization that is required under Title 21-A, chapter 13 to register with the
19 commission as a political action committee or ballot question committee for which
20 the executive employee is a treasurer, principal officer or principal fund-raiser or
21 decision maker of the organization;
- 22 Q. Any offices, trusteeships, directorships or positions of any nature, whether
23 compensated or uncompensated, held by the executive employee or a member of the
24 employee's immediate family with any for-profit or nonprofit firm, corporation,
25 association, limited liability company, partnership or business. For the purposes of
26 this paragraph, service as a clerk of a corporation or as a registered agent authorized
27 to receive service of any process, notice or other demand for a business entity is not
28 considered a position with the corporation or business entity; and
- 29 R. All reportable liabilities incurred by the executive employee or members of the
30 employee's immediate family during the reporting period.

31 For each source of income required to be reported under this subsection, the statement
32 must identify whether the amount of income exceeds the minimum required for reporting
33 purposes but is less than \$5,000, the amount of income equals or exceeds \$5,000 but is
34 less than \$25,000, the amount of income equals or exceeds \$25,000 but is less than
35 \$100,000 or the amount of income equals or exceeds \$100,000.

36

SUMMARY

37 This bill strengthens financial disclosure laws for Legislators and certain executive
38 branch employees with regard to annual disclosure statements by reducing the minimum
39 value of gifts that must be disclosed from \$300 to \$200, by requiring the disclosure of the
40 annual total value of gifts, honoraria over \$2,000 and income received over \$10,000 for
41 the sale, rental or lease of goods and services and by requiring that reportable income be
42 identified as falling within specified ranges of income. The bill also provides that a

1 former executive employee in a major policy-influencing position may not accept
2 compensation for employment during the 12-month period immediately following
3 termination of employment as an executive employee with, or under a contract to provide
4 services during that period to, a person that is engaged in a business activity that is
5 regulated by the state or quasi-state agency by which the former executive employee was
6 employed.