PLEASE NOTE: Legislative Information *cannot* perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Improve the Legislative Ethics Laws

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

Sec. 1. 1 MRSA §1003, sub-§2, as enacted by PL 1975, c. 621, §1, is amended to read:

2. Records. Except as provided in section 1013, subsection 2, paragraph J, all records of the commission, including business records, reports made to or by the commission, findings of fact and opinions, shall<u>must</u> be made available to any interested member of the public who may wish to review them. Any member of the public may request copies of any record held by the commission which<u>that</u> is available for public inspection. The commission shall furnish these copies upon payment of a fee covering the cost of reproducing them.

Sec. 2. 1 MRSA §1005, as amended by PL 2001, c. 430, §3, is further amended to read:

§ 1005.Open meetings

Notwithstanding chapter 13, all meetings, hearings or sessions of the commission are open to the general public <u>except as provided in section 1013</u>, <u>subsection 4 and</u> unless, by an affirmative vote of at least 3 members, the commission requires the exclusion of the public.

Sec. 3. 1 MRSA §1008, sub-§1, as enacted by PL 1975, c. 621, §1, is further amended to read:

1. Legislative ethics. To investigate and make advisory recommendations to the appropriate body of any apparent violations of the ethical standards set by the Legislaturelegislative ethics;

Sec. 4. 1 MRSA §1012, sub-§1, as repealed and replaced by PL 1989, c. 561, §4, is amended to read:

1. Close economic associate. "Close economic <u>associationassociate</u>" means the employers, employees, partners or clients of the Legislator or a member of the Legislator's immediate family; eorporations<u>entities</u> in which the Legislator or a member of the Legislator's immediate family is an officer, director or agent or owns 10% or more of the outstanding capital stock; a business whichthat is a significant unsecured creditor of the Legislator or a member of the Legislator's immediate family; or a business of which the Legislator or a member of the Legislator's immediate family; or a business of which the Legislator or a member of the Legislator's immediate family; or a business of which the Legislator or a member of the Legislator's immediate family is a significant unsecured creditor.

Sec. 5. 1 MRSA §1012, sub-§10 is enacted to read:

10. Violation of legislative ethics. "Violation of legislative ethics" means a violation of the prohibitions in section 1014 and 1015.

Sec. 6. 1 MRSA §1013, as amended by PL 1989, c. 561, §§5 and 6, is further amended to read:

§ 1013. Authority; procedures

1. Authority. The commission shall have the has authority:

A. To issue, on request of any Legislator on an issue involving <u>himselfthat Legislator</u>, or on its own motion, <u>written</u> advisory opinions and <u>guidelinesguidance</u> on problems or questions involving possible conflicts of interest in matters under consideration by, or pertaining to, the <u>Legislatureviolations of legislative ethics</u>;

B. To investigate complaints filed by Legislators, or on its own motion, alleging conflict of interesta violation of legislative ethics against any Legislator, to hold hearings thereonon those complaints if the commission deems determines it appropriate and to issue publicly findings of fact together with its opinion; and

C. To administer the disclosure of sources of income by Legislators as required by this subchapter.

2. Procedures. The following procedures shall apply:

A. Requests for advisory opinions by members of the Legislature shall<u>must</u> be filed with the commission in writing, and signed by the Legislator requesting the opinion and shall<u>must</u> contain such supporting data as the commission shall requirerequires. When preparing an advisory opinion on its own motion, the commission shall notify the Legislator concerned and allow himthe Legislator to provide additional information to the commission. In preparing an advisory opinion, either upon request or on its own motion, the commission may make such an investigation as it deemsdetermines necessary. A copy of the commission's advisory opinion shall<u>must</u> be sent to the Legislator concerned and to the presiding officer of the Houselegislative body of which the Legislator is a member;.

B. A Legislator making a complaint shall file the complaint under oath with the chairman. The complaint shall specify the facts of the alleged conflict of interest. The Legislator against whom a complaint is filed shall immediately be given a copy of the complaint and the name of the complainant. Only those complaints dealing with alleged conflicts of interest related to the current Legislature shall be considered by the commission. Upon a majority vote of the commission, the commission shall conduct such investigation and hold such hearings as it deems necessary. The commission shall issue its findings of fact together with its opinion regarding the alleged conflict of interest to the House of which the Legislator concerned is a member. That House may take whatever action it deems appropriate, in accordance with the Constitution of the State of Maine. Any person may file a complaint against a Legislator alleging a violation of legislative ethics. The complaint must be filed in writing and signed under oath and must specify the facts of the alleged violation and such other information as the commission requires.

(1) The Legislator against whom a complaint is filed must immediately be given a copy of the complaint and the name of the complainant.

(2) The commission shall consider only complaints against Legislators in office at the time of the filing of the complaint and only complaints relating to activity that occurred or was ongoing within 2 years of the complaint. Upon a majority vote of the commission, the commission shall conduct such an investigation and hold such hearings as it determines necessary. If one or more seats on the commission are vacant, the vote of 2 commissioners is sufficient to order an investigation and hearings.

(3) The commission shall issue its findings of fact together with its opinion regarding the alleged violation of legislative ethics to the legislative body of which the Legislator concerned is a member. That legislative body may take whatever action it determines appropriate, in accordance with the Constitution of Maine.

C. When the conduct of a particular Legislator is under inquiry and a hearing is to be held, the Legislator shall<u>must</u> be given written notification of the time and place at which the hearing is to be held. Such notification shall<u>must</u> be given not less than 10 days prior to the date set for the hearing.

D. The commission shall have the <u>has</u> authority, through its <u>chairmanchair</u> or any member designated by <u>himthe chair</u>, to administer oaths, subpoena witnesses and compel the production of books, records, papers, documents, correspondence and other material and records which the committee deems<u>commission determines</u> relevant. The commission shall subpoena such witnesses as the complainant Legislator or the Legislator against whom the complaint has been filed may request to be subpoenaed. The State, its agencies and instrumentalities shall furnish to the commission any information, records or documents which the commission designates as being necessary for the exercise of its functions and duties. In the case of refusal of any person to obey an order or subpoena of the commission, the Superior Court, upon application of the commission, shall have<u>has</u> jurisdiction and authority to require compliance with the order or subpoena. Any failure of any person to obey an order of the Superior Court may be punished by that court as a contempt thereof.

E. Any person whose conduct is under inquiry shall be accorded due process and, if requested, the right to a hearing. All witnesses shall be subject to cross-examination. The commission shall adopt rules consistent with due process for the conduct of investigations and hearings under this subchapter. Rules adopted pursuant to this paragraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

Any person whose name is mentioned in an investigation or hearing and who believes that testimony has been given which adversely affects him shall have the right to testify, or at the discretion of the commission and under such circumstances as the commission shall determine to protect the rights of the Legislator under inquiry, to file a statement of facts under oath relating solely to the material relevant to the testimony of which he complains. Any witness at an investigation or hearing, subject to rules and regulations promulgated by the commission, shall be entitled to a copy of such testimony when the same becomes relevant to a criminal proceeding or subsequent investigation or hearings.

All witnesses shall be sworn. The commission may sequester witnesses as it deems necessary. The commission shall not be<u>is not</u> bound by the strict rules of evidence, but its findings and opinions must be based upon competent and substantial evidence.

Time periods and notices may be waived by agreement of the commission and the person whose conduct is under inquiry.

F. If the commission concludes that it appears that a Legislator has violated a criminal law, a copy of its findings of fact, its opinion and such other information as may be appropriate shallmust be referred to the Attorney General. Any determination by the commission or by a House of the Legislaturelegislative body that a conflict of interestviolation of legislative ethics has occurred does not preclude any criminal action relating to the conflict whichviolation that may be brought against the Legislator.

G. If the commission determines that a complaint filed under oath is groundless and without foundation<u>frivolous or was filed in bad faith</u>, or if the Legislator filing the complaint<u>complainant</u> fails to appear at the hearing without being excused by the commission, the commission may order the complainant to pay to the Legislator against whom the complaint has been filed <u>histhat</u> Legislator's costs of investigation and defense, including any reasonable attorney's fees. TheSuch an order is deemed a final agency action and the complainant may appeal such an order to the House of which he is a memberpursuant to the Maine Administrative Procedure Act.

Such an order <u>shalldoes</u> not preclude any other remedy available to the Legislator against whom the complaint has been filed, including, but not limited to, an action brought in Superior Court against the complainant for damages to <u>histhe Legislator's</u> reputation.

H. A copy of the commission's The commission shall file with the Clerk of the House and the Secretary of the Senate a copy of written advisory opinions and guidelinesguidance issued by the commission, with such deletions and changes as the commission deemsconsiders necessary to protect the identity of the person seeking the opinions, or others, shall be filed with the Clerk of the House. The elerkClerk of the House shall keep thema copy of such opinions and guidance in a special binder and shall finally publish them in the Legislative Record. The commission may exempt an opinion or a part thereof of an opinion from release, publication or inspection, if it deemsconsiders such action appropriate for the protection of 3rd parties and makes available to the public an explanatory statement to that effect.

I. A copy of the commission's findings of fact and opinions regarding complaints against Legislators shallmust also be filed with the Clerk of the House and the Secretary of the Senate. The clerkClerk of the House shall keep them in a special binder and shall finally publish them in the Legislative Record.

J. The records of the commission and all information received by the commission acting under this subchapter in the course of its investigation and conduct of its affairs shall be confidential, except that Legislators' statements of sources of income, evidence or information disclosed at public hearings, the commission's findings of fact and its opinions and guidelines are public records.

K. When a Legislator has a question or problem of an emergency nature about a possible conflict of interestviolation of legislative ethics or an issue involving himself which that Legislator that arises during the course of legislative action, hethe Legislator may request an advisory opinion from the presiding officer of the legislative body of which hethe Legislator is a member. The presiding officer may, at his discretion, issue an advisory opinion, which shall. An advisory opinion issued by the presiding officer must be in accordance with the principles of this subchapter, which shall be in writing, and which shall be reported to the commission. The commission may then issue a further opinion on the matter. The presiding officer may refer such a question or problem directly to the commission, which shall meet as soon as possible to consider the question or problem.

L. The commission shall make reasonable efforts to resolve a complaint within 90 days of its filing.

3. Confidentiality. The subject of any investigation by the commission shall be informed promptly of the existence of the investigation and the nature of the charges or allegations. Otherwise, notwithstanding chapter 13, all complaints shall be confidential until the investigation is completed and a hearing ordered or until the nature of the investigation becomes public knowledge. Any person, except the subject of the investigation, who knowingly breaches the confidentiality of the investigation is guilty of a Class D crime.

4. Confidentiality of records and proceedings relating to screening complaints alleging a violation of legislative ethics. Notwithstanding chapter 13, a complaint alleging a violation of legislative ethics is confidential and is not a public record until after the commission has voted pursuant to subsection 2, paragraph B to pursue the complaint, and a commission proceeding to determine whether to pursue a complaint must be conducted in executive session. If the commission does not vote to pursue the complaint, the complaint and records relating to the investigation of that complaint remain confidential and are not public records. This subsection does not prevent the commission from including general information about complaints in any report to the Legislature. Any person who knowingly breaches the confidentiality of a complaint investigation commits a Class D crime. This subsection does not prevent commission staff from disclosing information that is necessary to investigate a complaint.

5. Confidentiality of records other than complaints. Commission records other than complaints are governed by this subsection.

A. Investigative records relating to complaints that the commission has voted to pursue are confidential unless they are provided to commission members or otherwise distributed at a public hearing of the commission.

B. Legislators' statements of sources of income are public records.

C. Findings of fact and recommendations of the commission on complaints alleging violation of legislative ethics are public records.

D. Advisory opinions of the commission and requests for advisory opinions from the commission are public records, except as provided in subsection 2, paragraph H.

6. **Prohibited communications.** Communications concerning a complaint filed under this section between commission members and a complainant or between commission members and the subject of a complaint are prohibited until after the commission has voted not to pursue a complaint or the commission has taken final action on the complaint.

Sec. 7. 1 MRSA §1014, as enacted by PL 1975, c. 621, §1, is amended to read:

§ 1014. Violations of legislative ethics

1. Situations involving conflict of interest. A Legislator engages in a violation of legislative ethics if that Legislator votes on a question in connection with a conflict of interest in committee or in either body of the Legislature or attempts to influence the outcome of that question. A conflict of interest shall include includes the following:

A. Where <u>When</u> a Legislator or, a member of <u>histhe Legislator's</u> immediate family <u>has or acquires a</u> direct substantial personal financial interest, distinct from that of the general public, in an enterprise which would be financially benefited by proposed legislation, or derives a direct substantial personal financial benefit from close economic association with a person known by the Legislator to have a direct financial interest in an enterprise affected by proposed legislation.or a close economic associate of the Legislator will derive a benefit from, or be harmed by, proposed legislation to a significantly greater extent than others in the same enterprise, profession, trade, business or type of employment;

A-1. When a Legislator, a member of the Legislator's immediate family or a close economic associate of the Legislator is a member of a small group of persons or entities that will derive a significant benefit or harm from proposed legislation;

B. Where When a Legislator or a member of histhe Legislator's immediate family accepts gifts, other than campaign contributions duly recorded as required by law, from persons affected by legislation or who have an interest in a businessan entity affected by proposed legislation, where when it is known or reasonably should be known that the purpose of the donor in making the gift is to influence the Legislator in the performance of histhe Legislator's official duties or vote, or is intended as a reward for action on histhe Legislator's part;

C. Receiving compensation or reimbursement not authorized by law for services, advice or assistance as a Legislator-;

D. Appearing for, representing or assisting advocating on behalf of another in respect to a claim before the Legislature, unless without compensation and for the benefit of a citizen-; and

E. Where When a Legislator or a member of histhe Legislator's immediate family accepts or engages in employment which that could impair the Legislator's judgment, or where when the Legislator knows that there is a substantial possibility that an opportunity for employment is being afforded

himthe Legislator or a member of histhe Legislator's immediate family with intent to influence his conduct in the performance of histhe Legislator's official duties, or where the Legislator or a member of his immediate family stands to derive a personal private gain or loss from employment, because of legislative action, distinct from the gain or losses of other employees or the general community.

F. Where a Legislator or a member of his immediate family has an interest in legislation relating to a profession, trade, business or employment in which the Legislator or a member of his immediate family is engaged, where the benefit derived by the Legislator or a member of his immediate family is unique and distinct from that of the general public or persons engaged in similar professions, trades, businesses or employment.

2. Undue influence. It is presumed that a conflict of interest exists where there are circumstances which involve a substantial risk of undue influence by a Legislator, including but not limited to the following cases.

A. Appearing for, representing or assisting another in a matter before a state agency or authority, unless without compensation and for the benefit of a constitutent, except for attorneys or other professional persons engaged in the conduct of their professions.

(1) Even in the excepted cases, an attorney or other professional person must refrain from references to his legislative capacity, from communications on legislative stationery and from threats or implications relating to legislative action.

B. Representing or assisting another in the sale of goods or services to the State, a state agency or authority, unless the transaction occurs after public notice and competitive bidding.

2-A. Undue influence. It is a violation of legislative ethics for a Legislator to engage in conduct that constitutes the exertion of undue influence, including but not limited to:

A. Appearing for, representing or advocating for another in a matter before a state agency or authority, for compensation other than compensation as a Legislator, if the Legislator makes reference to that Legislator's legislative capacity, communicates with the agency or authority on legislative stationery or makes threats or implications relating to legislative action;

B. Appearing for, representating or advocating for another in a matter before a state agency or authority if the Legislator oversees the policies of the agency or authority as a result of the Legislator's committee responsibilities, unless:

(1) The appearance, representation or advocacy is provided without compensation and for the benefit of a constituent;

(2) The appearance, representation or advocacy is provided before a court or office of the Judicial Branch; or

(3) The representation consists of filing records, reports or performing other routine tasks that do not involve the exercise of discretion on the part of the agency or authority; and

C. Representing or assisting another in the sale of goods or services to the State, a state agency or state authority, unless the transaction occurs after public notice and competitive bidding.

3. Abuse of office or position. It is presumed that a conflict of interest exists where a Legislator abuses his <u>a violation of legislative ethics for a Legislator to engage in conduct that constitutes an abuse of</u> office or position, including but not limited to the following cases:

A. Where When a Legislator or a member of histhe Legislator's immediate family has a direct financial interest or an interest through a close economic association associate in a contract for goods or services with the State, a state agency or state authority in a transaction not covered by public notice and competitive bidding or byunless the contract is awarded through competitive bidding or is exempt from competitive bidding pursuant to state purchasing laws or the payment provisions are based on uniform rates established by the State, a state agency, state authority or other governmental entity or by a professional association or organization.;

B. Granting or obtaining special privilege, exemption or preferential treatment to or for oneself or another, which privilege, exemption or treatment is not readily available to members of the general community or class to which the beneficiary belongs-: and

C. Use or disclosure of confidential information obtained because of office or position for the benefit of self or another.

4. Contract with state governmental agency. It is a violation of legislative ethics for a Legislator or an associated organization to enter with a state governmental agency into any contract that is to be paid in whole or in part out of governmental funds unless the contract has been awarded through a process of public notice and competitive bidding or is exempt from competitive bidding pursuant to state purchasing laws.

Sec. 8. 1 MRSA §1015, as amended by PL 2005, c. 301, §3, is further amended to read:

§ 1015.Prohibited campaign contributions and solicitations

1. Actions precluded. When a member of the Legislature has a conflict of interest, that member has an affirmative duty not to vote on any question in connection with the conflict in committee or in either branch of the Legislature, and shall not attempt to influence the outcome of that question.

2. Reports. When the commission finds that a Legislator has voted or acted in conflict of interest, the commission shall report its findings in writing to the house of which the Legislator is a member.

3. Campaign contributions and solicitations prohibited. The following provisions prohibit certain campaign contributions and solicitation of campaign contributions during a legislative session.

A. As used in this subsection, the terms "employer," "lobbyist" and "lobbyist associate" have the same meanings as in Title 3, section 312-A, and the term "contribution" has the same meaning as in Title 21-A, section 1012.

B. The Governor, a member of the Legislature or any constitutional officer or the staff or agent of the Governor, a member of the Legislature or any constitutional officer may not intentionally solicit or accept a contribution from a lobbyist, lobbyist associate or employer during any period of time in which the Legislature is convened before final adjournment, except for a qualifying contribution as defined under Title 21-A, section 1122, subsection 7. A lobbyist, lobbyist associate or employer may not intentionally give, offer or promise a contribution, other than a qualifying contribution, to the Governor, a member of the Legislature or any constitutional officer or the staff or agent of the Governor, a member of the Legislature or any constitutional officer during any time in which the Legislature is convened before final adjournment. These prohibitions apply to direct and indirect solicitation, acceptance, giving, offering and promising, whether through a political action committee, political party or otherwise.

C. This subsection does not apply to:

(1) Solicitations or contributions for bona fide social events hosted for nonpartisan, charitable purposes;

(2) Solicitations or contributions relating to a special election to fill a vacancy from the time of announcement of the election until the election;

(3) Solicitations or contributions after the deadline for filing as a candidate as provided in Title 21-A, section 335; and

(4) Solicitations or contributions accepted by a member of the Legislature supporting that member's campaign for federal office.

C-1. This subsection does not prohibit the attendance of the Governor, a member of the Legislature or any constitutional officer or the staff or agent of the Governor, a member of the Legislature or any constitutional officer at fund-raising events held by a municipal, county, state or national political party organized pursuant to Title 21-A, chapter 5, nor the advertisement of the expected presence of any such official at any such event, as long as any such official has no involvement in soliciting attendance at the event and all proceeds are paid directly to the political party organization hosting the event or a nonprofit charitable organization.

D. A person who intentionally violates this subsection is subject to a civil penalty not to exceed \$1,000, payable to the State and recoverable in a civil action.

4. Contract with state governmental agency. A Legislator or an associated organization may not enter with a state governmental agency into any contract that is to be paid in whole or in part out of governmental funds, when such a contract is normally awarded through a process of public notice and competitive bidding, unless the contract has been awarded through a process of public notice and competitive bidding.

Sec. 9. Application. Notwithstanding the Maine Revised Statutes, Title 1, section 1013, subsection 2, paragraph H as amended by this Act, a complaint filed under Title 1, chapter 25, subchapter 2 prior to the effective date of this Act and subjected to a vote of the commission may not be refiled, and the conduct at issue in that complaint may not be challenged in any other complaint.

SUMMARY

This bill amends the legislative ethics laws, as recommended by a 15-member study group created during the Second Regular Session of the 122nd Legislature: the Presiding Officers' Advisory Committee on Legislative Ethics. It broadens the definition of "conflict of interest" and increases protection against possible undue influence by Legislators. It also changes the workings of the Commission on Governmental Ethics and Election Practices to require that most commission proceedings on legislative ethics be conducted in public and to allow members of the public to file complaints regarding possible violations of legislative ethics laws. Finally, the bill rearranges, rewrites and edits several provisions of the law to make it easier to read and understand.

Under current law and rules of the Legislature, a Legislator is prohibited from voting on legislation on the grounds of conflict of interest only if the Legislator or certain family members or business associates would derive a unique and distinct benefit from the legislation. This bill proposes that a Legislator faces a conflict of interest in voting if the Legislator or an immediate family member or close economic associate of the Legislator would be benefited or harmed by the legislation to a degree that is significantly greater than similarly situated persons or entities or the Legislator, a member of the Legislator's immediate family or a close economic associate is a member of a small group of persons or entities that derive a significant benefit or harm from the proposed legislation.

The bill revises the limits on Legislators appearing before state agencies. Current law allows Legislators who are lawyers or other professional persons to represent clients before state agencies as long as they do not refer to their legislative capacity, but prohibits other Legislators from doing so. This bill prohibits a Legislator from representing a client before a state agency if the Legislator is a member of the joint standing committee with jurisdiction over that state agency. In such instances, a department and its staff would be more likely to know the identity of the Legislator and be influenced in their decision making by the Legislator's influence over the agency's policies and budget. Exceptions to the prohibition are made for representation before courts, uncompensated representation for a constituent and representation involving only the agency's ministerial, nondiscretionary functions. The intent of the bill is that the committee jurisdiction be determined by definition of the Legislature, including matters such as jurisdiction for purposes of referencing bills or for budget review by a policy committee.

The bill allows members of the public to file complaints alleging a violation of legislative ethics with the Commission on Governmental Ethics and Election Practices. A complaint must relate to a sitting

Legislator but may refer to conduct that occurred within 2 years prior to the complaint. The bill requires the commission to conduct an initial review of all complaints in executive session to screen out frivolous or bad-faith accusations. If the commission does not have its full complement of 5 members, the bill proposes that a vote of 2 members would be sufficient to pursue a complaint. Once the commission votes to pursue a complaint, all commission meetings on the complaint must be conducted in public. Current law allows the commission to order a complainant to reimburse the subject of a complaint for costs incurred if the commission finds the complaint to be "groundless and without foundation." The bill changes the standard to "frivolous" complaints and those "filed in bad faith." These standards are more commonly used in courts and other situations. The bill allows a person to appeal a commission order under this provision pursuant to the Maine Administrative Procedure Act.

The bill provides that a complaint and most investigative records relating to the complaint are public records once the commission votes to pursue the complaint. If the commission votes not to pursue the complaint, the complaint and investigative records remain confidential. As under current law, the commission's findings of fact and recommendations are public records. The bill prohibits communication between commission members and a complainant or the subject of a complaint while a complaint is pending before the commission. It also requires the commission to make reasonable efforts to resolve a complaint within 90 days of its filing and replaces current process provisions with a requirement that the commission adopt rules regarding the conduct of its investigations and hearings.

The bill revises the structure of the legislative ethics laws to create a definition of "violation of legislative ethics" and to designate the term "conflict of interest" as referring specifically to conflicts regarding voting or advocating on legislation. Other violations of legislative ethics are specifically set out as under current law, such as "undue influence" and "abuse of position." Rather than referring to these as "conflicts of interest," the bill classifies them as violations of legislative ethics. The law specifically authorizes the commission to hear complaints and make recommendations to the Senate and the House of Representatives regarding these violations of legislative ethics.

The Presiding Officers' Advisory Committee on Legislative Ethics also proposed a number of changes to the Legislature's Joint Rules and the rules of the Senate and the House of Representatives relating to ethics and the process for addressing concerns about ethics. Recommendations for amendments to the rules, which are matters of internal procedure reserved for the House and Senate, will be presented separately from this bill to the Joint Select Committee on Joint Rules for their consideration.