

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 543

S.P. 183

In Senate, February 6, 2003

An Act To Promote Corporate Ethics

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BENNETT of Oxford.

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

4 **Sec. 1. 5 MRSA §12004-G, sub-§4-C is enacted to read:**

6 4-C. State Board Expenses 13-C MRSA
Business of Corporate Only §106
8 Ethics Ethics

10 **Sec. 2. 13-C MRSA §106 is enacted to read:**

12 **§106. State Board of Corporate Ethics**

14 1. Board created. The State Board of Corporate Ethics
established in Title 5, section 12004-G, subsection 4-C, referred
to in this section as "the board," is created as an independent
16 state entity to promote ethics within Maine corporations and
other business entities.

18 2. Members. The board consists of 5 members of the public,
20 appointed by the Governor. Members must be qualified by
experience and reputation to perform the functions of the board.
22 Except for members of the initial board, members serve terms of 3
years. For the initial appointments, the Governor shall appoint
24 one member for a term of one year, 2 members for a term of 2
years and 2 members for a term of 3 years. Members may serve
26 more than one term.

28 3. Duties. The board shall make grants from the fund
created in subsection 4 to state agencies, commissions and other
30 instrumentalities of the State for programs to promote better
corporate ethics.

32 4. Reimbursement. Members not otherwise reimbursed for
34 expenses are entitled to receive reimbursement from the fund
created in subsection 5 of necessary expenses for their
36 attendance at meetings of the board.

38 5. Fund created. The Corporate Ethics Fund, referred to in
this subsection as "the fund," is created as a separate fund
40 within the State Treasury.

42 A. Fines or penalties payable to the State by corporations
or other business entities as a result of litigation or
44 settlement agreements for violation of the Maine Unfair
Trade Practices Act, the Revised Maine Securities Act or
46 fraud laws by the corporation or other business entity must
be deposited in the fund.

48 B. The fund must be used by the board to make grants as
50 described in subsection 3.

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C. Money in the fund does not lapse but must be carried forward from year to year to be used for the purposes of this section.

D. The board shall report annually to the Legislature by February 15th of each year, describing the amount and purpose of each grant made.

6. Administration of the board. The Governor shall name one of the members to serve as administrative head of the board. Funds for operation of the board may be provided from the General Fund.

SUMMARY

This bill creates the State Board of Corporate Ethics to make grants to promote better corporate ethics. The board makes grants from a fund created by fines and penalties collected by the State for violations of the Maine Unfair Trade Practices Act, the Revised Maine Securities Act or laws providing penalties for fraudulent conduct.