

MAINE STATE LEGISLATURE

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Date: 3-28-08

(Filing No. S-523)

LEGAL AND VETERANS AFFAIRS

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STATE OF MAINE

SENATE

123RD LEGISLATURE

SECOND REGULAR SESSION

Majority

COMMITTEE AMENDMENT "A" to S.P. 838, L.D. 2178, Bill, "An Act To Increase Public Confidence in Government by Expanding Public Disclosure"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 1 MRSA §1016-A, sub-§4, as amended by PL 1989, c. 608, §2, is further amended to read:

4. **Disclosure of income of immediate family.** The Legislator shall disclose the type of economic activity representing each source of income of \$1,000 or more, the range of income derived from each source that any member of the immediate family of the Legislator received and the name of the spouse or domestic partner of the Legislator. The disclosure must include the job title of the Legislator and the members of the Legislator's immediate family if the source of income is derived from employment or compensation.

Sec. 2. 1 MRSA §1016-E is enacted to read:

§1016-E. Disclosure of interests

Beginning in 2010, each Legislator shall file with the commission by 5:00 p.m. on February 15th of each year on the form provided by the commission a statement of those interests and positions set forth in this section that were held in the preceding calendar year. Prior to the end of the first week in January of each year, the commission shall deliver a form to each Senator and member of the House of Representatives. The statement of interests is a public record.

1. Disclosure of real property interests. A Legislator filing a statement under this section shall report:

A. The municipal or township location of each piece of real property in which the Legislator holds an interest or interests with a total value of \$10,000 or more, the type of interest or interests and the value range of the interest or interests; and

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1 B. For each real property interest or interests with a total value of \$10,000 or more
2 held by a member of the Legislator's immediate family, the name of the family
3 member who holds the interest or interests, the municipal or township location of the
4 real property in which the interest or interests are held and the value range of the
5 interest or interests.

6 **2. Disclosure of investment information.** A Legislator filing a statement under this
7 section shall report:

8 A. The value range of each investment interest greater than \$10,000 held by the
9 Legislator; and

10 B. The value range of each type of investment interest greater than \$10,000 held by a
11 member of the Legislator's immediate family and the name of that member of the
12 Legislator's immediate family.

13 For purposes of this subsection, "investment interest" includes holdings in publicly traded
14 stocks, investment accounts managed by investment advisors or broker-dealers, corporate
15 bonds, closely held businesses and other ownership interests. Publicly traded stocks must
16 be listed on the disclosure form by the name under which they are traded. Investment
17 accounts managed by investment advisors or broker-dealers must be listed on the form
18 with the name of the investment advisor and broker-dealer and describe the general
19 category of investments included in the account.

20 **3. Disclosure of officer or director position.** A Legislator filing a statement under
21 this section shall report:

22 A. Any offices, trusteeships, directorships or positions of any nature, whether
23 compensated or uncompensated, held by the Legislator in the preceding calendar year
24 with any for-profit or nonprofit firm, corporation, association, partnership or
25 business; and

26 B. Any offices, trusteeships, directorships or positions of any nature, whether
27 compensated or uncompensated, held by a member of the immediate family of the
28 Legislator with any for-profit or nonprofit firm, corporation, association, partnership
29 or business and the name of that member of the Legislator's immediate family.

30 **4. Value ranges.** Disclosure forms required by this section must list value ranges for
31 real property and investments as follows:

32 A. \$10,000 to \$100,000;

33 B. \$100,001 to \$200,000; and

34 C. \$200,001 or more.

35 **Sec. 3. 1 MRSA §1016-F** is enacted to read:

36 **§1016-F. Internet disclosure**

37 The commission shall publish on its publicly accessible website the completed forms
38 submitted by Legislators pursuant to sections 1016-A, 1016-B, 1016-D, 1016-E and 1018
39 and by candidates for the Legislature pursuant to section 1016-C.

40 **Sec. 4. 1 MRSA §1017-A**, as enacted by PL 2003, c. 268, §4, is amended to read:

2023

1 **§1017-A. Civil penalties; late and incomplete statements; failure to file**

2 A Legislator who fails to file a statement in accordance with this subchapter after
3 being notified by the commission may be assessed a fine of \$10 for each business day the
4 statement is filed late not to exceed \$100. A statement is not considered filed unless it
5 substantially conforms to the requirements of this subchapter and is properly signed. The
6 commission shall determine whether a statement substantially conforms to the
7 requirements of this subchapter.

8 **Sec. 5. 5 MRSA §19, sub-§2**, as amended by PL 1989, c. 608, §3, is further
9 amended to read:

10 **2. Statement of sources of income.** Each executive employee shall annually file
11 with the ~~Secretary of State~~ Commission on Governmental Ethics and Election Practices a
12 sworn and notarized statement of finances for the preceding calendar year. The statement
13 shall must indicate:

14 A. If the executive employee is an employee of another person, firm, corporation,
15 association or organization, the name and address of the employer and each other
16 source of income of \$1,000 or more;

17 B. If the executive employee is self-employed, the name and address of the
18 executive employee's business and the name of each source of income derived from
19 self-employment that represents more than 10% of the employee's gross income or
20 \$1,000, whichever is greater, ~~provided~~ except that, if this form of disclosure is
21 prohibited by statute, rule, or an established code of professional ethics, the employee
22 shall specify the principal type of economic activity from which the income is
23 derived. With respect to all other sources of income, a self-employed executive
24 employee shall name each source of income of \$1,000 or more. The employee shall
25 also indicate major areas of economic activity and, if associated with a partnership,
26 firm, professional association, or similar business entity, the major areas of economic
27 activity of that entity;

28 C. The specific source of each gift received;

29 D. The type of economic activity representing each source of income of \$1,000 or
30 more, a range of income derived from each source that any member of the immediate
31 family of the executive employee received and the name of the spouse or domestic
32 partner of the executive employee. The disclosure must include the job title of the
33 executive employee and immediate family members if the source of income is
34 derived from employment or compensation;

35 E. The name of each source of honoraria that the executive employee accepted;

36 F. Each executive branch agency before which the executive employee or any
37 immediate family member has represented or assisted others for compensation; and

38 G. Each executive branch agency to which the executive employee or the
39 employee's immediate family has sold goods or services with a value in excess of
40 \$1,000.

41 In identifying the source of income, it ~~shall be~~ is sufficient to identify the name and
42 address and principal type of economic activity of the corporation, professional

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1 association, partnership, financial institution, nonprofit organization or other entity or
2 person directly providing the income to the individual.

3 With respect to income from a law practice, it shall be is sufficient for attorneys-at-law to
4 indicate their major areas of practice and, if associated with a law firm, the major areas of
5 practice of the firm.

6 **Sec. 6. 5 MRSA §19, sub-§2-A** is enacted to read:

7 **2-A. Statement of interests.** Beginning in 2010, each executive employee shall
8 annually file with the Secretary of State a sworn and notarized statement of those interests
9 and positions set forth in this subsection for the preceding calendar year. The statement
10 must include:

11 A. The municipal or township location of each piece of real property in which the
12 executive employee holds an interest or interests with a total value of \$10,000 or
13 more, the type of interest or interests and the value range of the interest or interests;

14 B. For each real property interest or interests with a total value of \$10,000 or more
15 held by a member of the executive employee's immediate family, the name of the
16 family member who holds the interest or interests, the municipal or township location
17 of the real property in which the interest or interests are held and the value range of
18 the interest or interests;

19 C. Any offices, trusteeships, directorships or positions of any nature, whether
20 compensated or uncompensated, held by the executive employee with any for-profit
21 or nonprofit firm, corporation, association, partnership or business;

22 D. Any offices, trusteeships, directorships or positions of any nature, whether
23 compensated or uncompensated, held by a member of the immediate family of the
24 executive employee with any for-profit or nonprofit firm, corporation, association,
25 partnership or business and the name of that member of the executive employee's
26 immediate family;

27 E. The value range of each investment interest greater than \$10,000 held by the
28 executive employee; and

29 F. The value range of each investment interest greater than \$10,000 held by a
30 member of the executive employee's immediate family and the name of that member
31 of the executive employee's immediate family.

32 For purposes of this subsection, "investment interest" includes holdings in publicly traded
33 stocks, investment accounts managed by investment advisors or broker-dealers, corporate
34 bonds, closely held businesses and other ownership interests. Publicly traded stocks must
35 be listed on the disclosure form by the name under which they are traded. Investment
36 accounts managed by investment advisors or broker-dealers must be listed on the form
37 with the name of the investment advisor and broker-dealer and describe the general
38 category of investments included in the account.

39 **Sec. 7. 5 MRSA §19, sub-§2-B** is enacted to read:

40 **2-B. Value ranges.** Disclosure forms required by this section must list value ranges
41 for real property and investments as follows:

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- 1 A. \$10,000 to \$100,000;
- 2 B. \$100,001 to \$200,000; and
- 3 C. \$200,001 or more.

4 **Sec. 8. 5 MRSA §19, sub-§4**, as enacted by PL 1979, c. 734, §2, is amended to
5 read:

6 **4. Penalties.** Failing to file the statement, within 15 days of having been notified by
7 the ~~Secretary of State~~ Commission on Governmental Ethics and Election Practices of
8 failing to meet the requirements of subsection 2, is a civil violation for which a ~~forfeiture~~
9 fine of not more than \$100 may be adjudged.

10 **Sec. 9. 5 MRSA §19, sub-§5**, as enacted by PL 1979, c. 734, §2, is amended to
11 read:

12 **5. Rules.** The ~~Secretary of State~~ Commission on Governmental Ethics and Election
13 Practices may adopt or amend rules to specify the reportable categories or types and the
14 procedures and forms for reporting and to administer this section.

15 **Sec. 10. 5 MRSA §19, sub-§6**, as enacted by PL 1979, c. 734, §2, is amended to
16 read:

17 **6. Public record.** Statements filed under this section are public records. The
18 Commission on Governmental Ethics and Election Practices shall publish on a publicly
19 accessible website the completed forms of executive employees filed under this section.

20 **Sec. 11. Disclosure form design and review.** The Commission on
21 Governmental Ethics and Election Practices is directed to design a form to facilitate
22 disclosure of real property and investment interests as required by this Act by December
23 1, 2008 for review by the joint standing committee of the Legislature having jurisdiction
24 over governmental ethics matters. The committee is authorized to submit legislation
25 related to the form to the First Regular Session of the 124th Legislature.

26 **Sec. 12. Appropriations and allocations.** The following appropriations and
27 allocations are made.

28 **ETHICS AND ELECTION PRACTICES, COMMISSION ON GOVERNMENTAL**
29 **Governmental Ethics and Election Practices - Commission on 0414**

30 Initiative: Provides an allocation to develop an online system for publication of executive
31 employee disclosure forms.

32	OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
33	All Other	\$0	\$35,000
34			
35	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$35,000
36			

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SUMMARY

This amendment is the majority report. This amendment adds to the list of things to be disclosed as proposed in the bill. New disclosures regarding real property and investment interests will begin to be reported in 2010 after the reporting form designed by the Commission on Governmental Ethics and Election Practices is reviewed by the joint standing committee of the Legislature having jurisdiction over governmental ethics matters. It adds a requirement that job titles be disclosed for each reportable source of income for Legislators, executive employees and members of their immediate families. The amendment specifies that the value of real property and investments is disclosed by indicating a range of value. It also clarifies that when reporting the location of reportable real property, the township or municipality where the property is located is sufficient.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 2178

LR 3294(02)

An Act To Increase Public Confidence in Government by Expanding Public Disclosure

Fiscal Note for Bill as Amended by Committee Amendment "A "

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$35,000	\$0	\$0

Fiscal Detail and Notes

The Commission on Governmental Ethics and Election Practice will require a one-time Other Special Revenue funds allocation of \$35,000 in fiscal year 2008-09 to develop an online system for publication of executive employee disclosure forms. Funding for this allocation would come from existing funds within the Maine Clean Election Fund.