

HB0425S01 compared with HB0425

~~deleted text~~ shows text that was in HB0425 but was deleted in HB0425S01.

inserted text shows text that was not in HB0425 but was inserted into HB0425S01.

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Representative Brian S. King proposes the following substitute bill:

FINANCIAL DISCLOSURE MODIFICATIONS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brian S. King

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the information that a regulated officeholder is required to disclose on a financial disclosure form.

Highlighted Provisions:

This bill:

- ▶ modifies the information that a regulated officeholder is required to disclose on a financial disclosure form.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

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AMENDS:

20A-11-1602, as last amended by Laws of Utah 2014, Chapter 18

20A-11-1604, as renumbered and amended by Laws of Utah 2014, Chapter 18

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **20A-11-1602** is amended to read:

20A-11-1602. Definitions.

As used in this part:

(1) "Conflict of interest" means an action that is taken by a regulated officeholder that the officeholder reasonably believes may cause direct financial benefit or detriment to the officeholder, a member of the officeholder's immediate family, or an entity that the officeholder is required to disclose under the provisions of this section, if that benefit or detriment is distinguishable from the effects of that action on the public or on the officeholder's profession, occupation, or association generally.

(2) "Entity" means a corporation, a partnership, a limited liability company, a limited partnership, a sole proprietorship, an association, a cooperative, a trust, an organization, a joint venture, a governmental entity, an unincorporated organization, or any other legal entity, regardless of whether it is established primarily for the purpose of gain or economic profit.

(3) "Executive action" means the same as that term is defined in Section 36-11-102.

~~[(3)]~~ (4) "Immediate family" means the regulated officeholder's spouse, a child living in the regulated officeholder's immediate household, or an individual claimed as a dependent for state or federal income tax purposes by the regulated officeholder.

~~[(4)]~~ (5) "Income" means earnings, compensation, or any other payment made to an individual for gain, regardless of source, whether denominated as wages, salary, commission, pay, bonus, severance pay, incentive pay, contract payment, interest, per diem, expenses, reimbursement, dividends, or otherwise.

(6) "Legislative action" means the same as that term is defined in Section 36-11-102.

(7) "Lobbying" means the same as that term is defined in Section 36-11-102.

~~[(5)]~~ (8) (a) "Owner or officer" means an individual who owns an ownership interest in an entity or holds a position where the person has authority to manage, direct, control, or make decisions for:

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- (i) the entity or a portion of the entity; or
- (ii) an employee, agent, or independent contractor of the entity.
- (b) "Owner or officer" includes:
 - (i) a member of a board of directors or other governing body of an entity; or
 - (ii) a partner in any type of partnership.

~~[(6)]~~ (9) "Preceding year" means the year immediately preceding the day on which the regulated officeholder files a financial disclosure form.

~~[(7)]~~ (10) "Regulated officeholder" means an individual who is required to file a financial disclosure form under the provisions of this part.

~~[(8)]~~ (11) "State constitutional officer" means the governor, the lieutenant governor, the state auditor, the state treasurer, or the attorney general.

Section 2. Section **20A-11-1604** is amended to read:

20A-11-1604. Disclosure of conflict of interest -- Financial disclosure form -- Failure to disclose conflict of interest -- Failure to comply with reporting requirements.

(1) (a) Before or during the execution of any order, settlement, declaration, contract, or any other official act of office in which a state constitutional officer has actual knowledge that the state constitutional officer has a conflict of interest that is not stated on the financial disclosure form described in this section, the state constitutional officer shall publicly declare that the state constitutional officer may have a conflict of interest and what that conflict of interest is.

(b) Before or during any vote on legislation or any legislative matter in which a legislator has actual knowledge that the legislator has a conflict of interest that is not stated on the financial disclosure form described in this section, the legislator shall orally declare to the committee or body before which the matter is pending that the legislator may have a conflict of interest and what that conflict is.

(c) Before or during any vote on any rule, resolution, order, or any other board matter in which a member of the State Board of Education has actual knowledge that the member has a conflict of interest that is not stated on the financial disclosure form described in this section, the member shall orally declare to the board that the member may have a conflict of interest and what that conflict of interest is.

(2) Any public declaration of a conflict of interest that is made under Subsection (1)

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shall be noted:

- (a) on the official record of the action taken, for a state constitutional officer;
 - (b) in the minutes of the committee meeting or in the Senate or House Journal, as applicable, for a legislator; or
 - (c) in the minutes of the meeting or on the official record of the action taken, for a member of the State Board of Education.
- (3) (a) A state constitutional officer shall file a financial disclosure form:
- (i) on the tenth day of January of each year, or the following business day if the due date falls on a weekend or holiday; and
 - (ii) each time the state constitutional officer changes employment.
- (b) A legislator shall file a financial disclosure form:
- (i) on the first day of each general session of the Legislature; and
 - (ii) each time the legislator changes employment.
- (c) A member of the State Board of Education shall file a financial disclosure form:
- (i) on the tenth day of January of each year, or the following business day if the due date falls on a weekend or holiday; and
 - (ii) each time the member changes employment.
- (4) The financial disclosure form described in Subsection (3) shall include:
- (a) the regulated officeholder's name;
 - (b) the name and address of each of the regulated officeholder's current employers and each of the regulated officeholder's employers during the preceding year;
 - (c) for each employer described in Subsection (4)(b)[;]:
 - (i) a brief description of the employment, including the regulated officeholder's occupation and, as applicable, job title; and
 - (ii) to the {date on} best of the regulated officeholder's knowledge, the month and year in which the regulated officeholder's employment began;
 - (d) for each entity in which the regulated officeholder is an owner or officer, or was an owner or officer during the preceding year:
 - (i) the name of the entity;
 - (ii) a brief description of the type of business or activity conducted by the entity; [~~and~~]
 - (iii) the regulated officeholder's position in the entity; and

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(iv) to the ~~date on~~ best of the regulated officeholder's knowledge, the month and year in which the regulated officeholder became an owner or officer for the entity;

(e) in accordance with Subsection (5)(b), for each individual from whom, or entity from which, the regulated officeholder has received \$5,000 or more in income during the preceding year:

(i) the name of the individual or entity; ~~and~~

(ii) a brief description of the type of business or activity conducted by the individual or entity; and

(iii) to the ~~date on~~ best of the regulated officeholder's knowledge, the month and year in which the regulated officeholder first received income from the individual or entity;

(f) for each entity in which the regulated officeholder holds any stocks or bonds having a fair market value of \$5,000 or more as of the date of the disclosure form or during the preceding year, but excluding funds that are managed by a third party, including blind trusts, managed investment accounts, and mutual funds:

(i) the name of the entity; and

(ii) a brief description of the type of business or activity conducted by the entity;

(g) the name of, and a brief description of the type of business or activity conducted by, each individual or entity that has paid the regulated officeholder during the preceding year for lobbying or consulting in relation to legislative action or executive action;

~~(g)~~ (h) for each entity not listed in Subsections (4)(d) through ~~(f)~~ (g) in which the regulated officeholder currently serves, or served in the preceding year, on the board of directors or in any other type of paid leadership capacity:

(i) the name of the entity or organization;

(ii) a brief description of the type of business or activity conducted by the entity; ~~and~~

(iii) the type of advisory position held by the regulated officeholder; and

(iv) to the ~~date on~~ best of the regulated officeholder's knowledge, the month and year in which the regulated officeholder accepted a position on the board of directors or a paid leadership capacity position;

~~(h)~~ (i) at the option of the regulated officeholder, a description of any real property in which the regulated officeholder holds an ownership or other financial interest that the regulated officeholder believes may constitute a conflict of interest, including a description of

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the type of interest held by the regulated officeholder in the property;

~~[(j)]~~ (j) the name of the regulated officeholder's spouse and any other adult residing in the regulated officeholder's household who is not related by blood or marriage, as applicable;

~~[(j)]~~ (k) for the regulated officeholder's spouse, the information that a regulated officeholder is required to provide under Subsection (4)(b);

~~[(k)]~~ (l) a brief description of the employment and occupation of each adult who:

(i) resides in the regulated officeholder's household; and

(ii) is not related to the regulated officeholder by blood or marriage;

~~[(h)]~~ (m) at the option of the regulated officeholder, a description of any other matter or interest that the regulated officeholder believes may constitute a conflict of interest;

~~[(m)]~~ (n) the date the form was completed;

~~[(n)]~~ (o) a statement that the regulated officeholder believes that the form is true and accurate to the best of the regulated officeholder's knowledge; and

~~[(o)]~~ (p) the signature of the regulated officeholder.

(5) (a) The regulated officeholder shall file the financial disclosure form with:

(i) the secretary of the Senate, if the regulated officeholder is a member of the Senate;

(ii) the chief clerk of the House of Representatives, if the regulated officeholder is a member of the House of Representatives; or

(iii) the lieutenant governor, if the regulated officeholder is a regulated officeholder other than a regulated officeholder described in Subsection (5)(a)(i) or (ii).

(b) In making the disclosure described in Subsection (4)(e), a regulated officeholder who provides goods or services to multiple customers or clients as part of a business or a licensed profession is only required to provide the information described in Subsection (4)(e) in relation to the entity or practice through which the regulated officeholder provides the goods or services and is not required to provide the information described in Subsection (4)(e) in relation to the regulated officeholder's individual customers or clients.

(6) The lieutenant governor, the secretary of the Senate, and the chief clerk of the House of Representatives shall ensure that blank financial disclosure forms are available on the Internet and at their offices.

(7) An individual described in Subsection (6) who receives a financial disclosure form or an amendment to a financial disclosure form under this section shall make each version of

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the form, and each amendment to the form, available to the public for the period of time described in Subsection (8), in the following manner:

- (a) on the Internet; and
- (b) at the office where the form or the amendment to the form was filed.

(8) The period of time that an individual described in Subsection (7) shall make each version of a financial disclosure form and each amendment to a financial disclosure form available to the public is:

(a) two years after the day on which the individual described in Subsection (7) receives the form, for a regulated officeholder in an office that has a normal term of two years or less; or

(b) four years after the day on which the individual described in Subsection (7) receives the form, for a regulated officeholder in an office that has a normal term of more than two years.

(9) The disclosure requirements described in this section do not prohibit a regulated officeholder from voting or acting on any matter.

(10) A regulated officeholder may amend a financial disclosure form described in this part at any time.

(11) A regulated officeholder who violates the requirements of Subsection (1) is guilty of a class B misdemeanor.

(12) (a) A regulated officeholder who intentionally or knowingly violates a provision of this section, other than Subsection (1), is guilty of a class B misdemeanor.

(b) In addition to the criminal penalty described in Subsection (12)(a), the lieutenant governor shall impose a civil penalty of \$100 against a regulated officeholder who violates a provision of this section, other than Subsection (1).

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Legislative Review Note

~~as of 1-9-15 11:42 AM~~

~~Office of Legislative Research and General Counsel~~