

2013 -- H 5673

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- CODE OF ETHICS

Introduced By: Representatives Marcello, Hearn, Serpa, Fellela, and Costa

Date Introduced: February 27, 2013

Referred To: House Judiciary

(Governor)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 36-14-9 and 36-14-17 of the General Laws in Chapter 36-14
2 entitled "Code of Ethics" are hereby amended to read as follows:

3 **36-14-9. Administrative powers of the commission.** -- (a) The commission is hereby
4 empowered to:

5 (1) Engage the services of an executive director and of other legal, secretarial, and
6 investigative employees, who shall be bound by the prohibitions contained in section 36-14-8(f),
7 and to make such other expenditures as are necessary for the effective performance of its
8 functions;

9 (2) Separately retain the services of independent legal counsel who shall be bound by the
10 prohibitions contained in section 36-14-8(f) and who shall remain independent of the executive
11 director and other commission employees;

12 (3) Prescribe and publish, after notice and public hearings, rules and regulations to carry
13 out the provisions of this chapter;

14 (4) Prescribe forms for statements and reports required to be filed by this chapter and
15 furnish the forms to persons required to file statements and reports;

16 (5) Prepare and publish a manual setting forth recommended uniform methods of
17 accounting and reporting for use by persons required to file statements and reports by this
18 chapter;

19 (6) Accept and file any information voluntarily supplied that exceeds the requirements of

1 this chapter;

2 (7) Compile and maintain an index of all reports and statements filed with the
3 commission to facilitate public access to the reports and statements;

4 (8) Prepare and publish quarterly and annually summaries of statements and reports filed
5 with the commission;

6 (9) Review all statements and reports filed with the commission in order to ascertain
7 whether any person has failed to file a required statement or has filed a deficient statement;

8 (10) Preserve statements and reports filed with the commission for a period of five (5)
9 years from date of receipt;

10 (11) Prepare and publish special reports and technical studies to further the purposes of
11 this chapter;

12 (12) Prepare and publish, prior to April 1 of each year, an annual report summarizing the
13 activities of the commission, including, but not limited to, the:

14 (i) Number of disclosure statements filed;

15 (ii) Subjects of advisory opinions requested and issued;

16 (iii) Number of complaints filed, investigated and/or adjudicated; [and](#)

17 [\(iv\) Number of audits conducted of financial disclosure statements.](#)

18 (13) Have a seal and the members, executive director, and assistant clerks thereof shall
19 have authority and power to administer oaths and affirmations;

20 (14) Educate public officials, employees, and citizens on ethical standards as embodied
21 in the code of ethics by holding regular workshops, seminars, and the like, focusing on the
22 specifics of the code of ethics and compliance therewith;

23 (15) Create publications to explain the ethical conduct expected of officials and
24 employees.

25 [\(16\) Require an annual independent audit of no less than ten percent \(10%\) of all](#)
26 [financial statements filed on an annual basis pursuant to section 36-14-16.](#)

27 (b) The rulemaking power conferred by subsection (a)(3) of this section shall be subject
28 to, and shall be exercised in conformity with, sections 42-35-2 -- 42-35-7.

29 (c) Unless specifically prohibited, the commission shall make statements and reports
30 filed with the commission available for public inspection and copying during regular office hours
31 and make copying facilities available at a charge not to exceed actual cost.

32 **36-14-17. Content of financial statement.** -- (a) The financial statement required herein
33 shall be on a form prescribed by the commission and shall include the account of the financial
34 activity of the person required to file the statement by this chapter, the financial activity of his or

1 her spouse (if not estranged), and any dependent children for the preceding calendar year.

2 (b) The account of financial activity referred to in subsection (a) of this section shall
3 consist of:

4 (1) If he or she or any person enumerated in subsection (a) of this section or a business
5 entity in which he or she or any person enumerated as aforesaid held a ten percent (10%) or
6 greater equity interest or five thousand dollars (\$5,000) or greater cash value interest at any time
7 during the calendar year for which the statement is required has done business with a state or
8 municipal agency or a business which is subject to direct regulation greater than of a de minimus
9 nature by a state or municipal agency, and if so, the date and nature of the business;

10 (2) A list of all sources of occupational income identified by employer or, if self
11 employed, by the nature of occupation or profession, and if income was received from a state or
12 municipal agency, the name and address of the agency and the nature of the services rendered and
13 if the occupation or profession is licensed by the state; however, general officers, as defined in
14 section 17-2-1, shall list all sources and amounts of income in excess of two hundred dollars
15 (\$200) according to the following categories:

- 16 (i) not more than \$1000
- 17 (ii) greater than \$1000 but no more than \$10,000
- 18 (iii) greater than \$10,000 but no more than \$25,000
- 19 (iv) greater than \$25,000 but no more than \$50,000
- 20 (v) greater than \$50,000 but no more than \$100,000
- 21 (vi) greater than \$100,000 but no more than \$200,000
- 22 (vii) greater than \$200,000 but no more than \$500,000
- 23 (viii) greater than \$500,000 but no more than \$1,000,000
- 24 (ix) greater than \$1,000,000

25 (3) A listing of all real property in which a financial interest was held; however, this
26 section shall not apply to real property used exclusively as his or her principal residence;

27 (4) Identification of any interested person from whom the person or his or her spouse (if
28 not estranged) or any dependent child received a gift or contribution of money or property in
29 excess of one hundred dollars (\$100) in value or a series of gifts or contributions of money or
30 property, the total of which exceeds one hundred dollars (\$100) in value received from the same
31 source, and a description of each gift or contributions, except those received from persons related
32 to the person at any time within the third degree of consanguinity or affinity and campaign
33 contributions which were reported as required by law, for purposes of this subsection, "interested
34 person", means a person or a representative of a person or business that has a direct financial

1 interest in a decision that the person subject to the Code of Ethics is authorized to make, or to
2 participate in the making of, as part of his or her official duties;

3 (5) Identification of the source of all income received as beneficiary of a trust and
4 identification of each asset, if known to the beneficiary, from which income was received by the
5 beneficiary in excess of one thousand dollars (\$1,000);

6 (6) A list of all boards of directors of which the person is a member and executive
7 positions which he or she holds in any business entity, stating the name and address of each
8 business entity;

9 (7) The name and address of any business entity in which he or she or any person
10 enumerated in subsection (a) of this section held a ten percent (10%) or greater equity interest or
11 five thousand dollars (\$5,000) or greater cash value interest in at any time during the calendar
12 year for which the statement is required; and

13 (8) (i) Identification of any person, business entity, financial institution or other
14 organization to whom the person was indebted at any time during the calendar year for which the
15 statement is required in an amount in excess of one thousand dollars (\$1,000) other than:

16 (A) Any person related to the person at any time within the third degree of consanguinity
17 or affinity; or

18 (B) Any transactions involving credit cards; or

19 (C) Any indebtedness to a financial institution, licensed and regulated by any state or by
20 the United States, which is secured solely by a mortgage of record on real property used
21 exclusively as the principal residence of the person required to file the statement.

22 (ii) This section does not require the reporting of the amount or amounts of the
23 indebtedness or the payment record of the loans.

24 (9) Identification of any delinquent taxes owed to the state or child support payments that
25 are in arrears; and

26 (10) Identification of leadership positions in any political action committee as defined by
27 Rhode Island general law subdivision 17-25-3(10).

28 (c) The financial statement shall be sworn to under oath.

29 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- CODE OF ETHICS

1 This act would make changes to the code of ethics for public officers including, requiring
2 audits of no less than ten percent (10%) of all financial statements filed and would require the
3 identification of delinquent taxes, child support arrearages and PAC leadership affiliations on
4 financial statements.

5 This act would take effect upon passage.

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