

1 HB18
2 170954-2
3 By Representatives Williams (JD), Moore (B), Gaston, McMillan,
4 McCutcheon, Hill (M), Davis, Greer, Baker, Weaver, Wingo,
5 Clouse, Sessions, South, Pringle, Scott, Butler and Robinson
6 RFD: Ethics and Campaign Finance
7 First Read: 08-SEP-15

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8 SYNOPSIS: Currently, public officials are prohibited,
9 during the term or remaining term of office for
10 which the official was elected, from lobbying
11 before a legislative body or branch of state or
12 local government, including executive and judicial
13 branches, and boards or agencies.

14 This bill would amend those provisions to
15 provide that only former public officials at the
16 state level of government who vacate their office
17 prior to the completion of the term would be
18 prohibited from lobbying state government for the
19 remainder of the term to which they were elected.

20 This bill would further provide that the
21 definition of a widely attended event would be
22 changed so that the number of individuals
23 reasonably expected to attend be 8 or more.

24 This bill would further provide for the
25 establishment and regulation of legal defense funds
26 for the purpose of defending a public employee or
27 public official in a pending criminal, civil, or

1 administrative action or investigation related to
2 conduct reasonably related to the performance of
3 that person's governmental duties.

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5 A BILL
6 TO BE ENTITLED
7 AN ACT

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9 To amend Sections 36-25-1, 36-25-13 and 36-25-23,
10 and to add Section 36-25-6.1 to the Code of Alabama 1975,
11 relating to the Code of Ethics; to amend the definition of
12 widely attended event; to specify that former elected public
13 officials at the state level of government are prohibited from
14 lobbying state government during the term for which elected;
15 and to provide for the establishment and reporting of legal
16 defense funds for public employees and public officials.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Sections 36-25-1, 36-25-13 and 36-25-23,
19 Code of Alabama 1975, are amended to read as follows:

20 "§36-25-1.

21 "Whenever used in this chapter, the following words
22 and terms shall have the following meanings:

23 "(1) BUSINESS. Any corporation, partnership,
24 proprietorship, firm, enterprise, franchise, association,
25 organization, self-employed individual, or any other legal
26 entity.

1 "(2) BUSINESS WITH WHICH THE PERSON IS ASSOCIATED.
2 Any business of which the person or a member of his or her
3 family is an officer, owner, partner, board of director
4 member, employee, or holder of more than five percent of the
5 fair market value of the business.

6 "(3) CANDIDATE. This term as used in this chapter
7 shall have the same meaning ascribed to it in Section
8 17-22A-2.

9 "(4) COMMISSION. The State Ethics Commission.

10 "(5) COMPLAINT. Written allegation or allegations
11 that a violation of this chapter has occurred.

12 "(6) COMPLAINANT. A person who alleges a violation
13 or violations of this chapter by filing a complaint against a
14 respondent.

15 "(7) CONFIDENTIAL INFORMATION. A complaint filed
16 pursuant to this chapter, together with any statement,
17 conversations, knowledge of evidence, or information received
18 from the complainant, witness, or other person related to such
19 complaint.

20 "(8) CONFLICT OF INTEREST. A conflict on the part of
21 a public official or public employee between his or her
22 private interests and the official responsibilities inherent
23 in an office of public trust. A conflict of interest involves
24 any action, inaction, or decision by a public official or
25 public employee in the discharge of his or her official duties
26 which would materially affect his or her financial interest or
27 those of his or her family members or any business with which

1 the person is associated in a manner different from the manner
2 it affects the other members of the class to which he or she
3 belongs. A conflict of interest shall not include any of the
4 following:

5 "a. A loan or financial transaction made or
6 conducted in the ordinary course of business.

7 "b. An occasional nonpecuniary award publicly
8 presented by an organization for performance of public
9 service.

10 "c. Payment of or reimbursement for actual and
11 necessary expenditures for travel and subsistence for the
12 personal attendance of a public official or public employee at
13 a convention or other meeting at which he or she is scheduled
14 to meaningfully participate in connection with his or her
15 official duties and for which attendance no reimbursement is
16 made by the state.

17 "d. Any campaign contribution, including the
18 purchase of tickets to, or advertisements in journals, for
19 political or testimonial dinners, if the contribution is
20 actually used for political purposes and is not given under
21 circumstances from which it could reasonably be inferred that
22 the purpose of the contribution is to substantially influence
23 a public official in the performance of his or her official
24 duties.

25 "(9) DAY. Calendar day.

26 "(10) DEPENDENT. Any person, regardless of his or
27 her legal residence or domicile, who receives 50 percent or

1 more of his or her support from the public official or public
2 employee or his or her spouse or who resided with the public
3 official or public employee for more than 180 days during the
4 reporting period.

5 "(11) DE MINIMIS. A value twenty-five dollars (\$25)
6 or less per occasion and an aggregate of fifty dollars (\$50)
7 or less in a calendar year from any single provider, or such
8 other amounts as may be prescribed by the Ethics Commission
9 from time to time by rule pursuant to the Administrative
10 Procedure Act or adjusted each four years from August 1, 2012,
11 to reflect any increase in the cost of living as indicated by
12 the United States Department of Labor Consumer Price Index or
13 any succeeding equivalent index.

14 "(12) ECONOMIC DEVELOPMENT FUNCTION. Any function
15 reasonably and directly related to the advancement of a
16 specific, good-faith economic development or trade promotion
17 project or objective.

18 "(13) EDUCATIONAL FUNCTION. A meeting, event, or
19 activity held within the State of Alabama, or if the function
20 is predominantly attended by participants from other states,
21 held within the continental United States, which is organized
22 around a formal program or agenda of educational or
23 informational speeches, debates, panel discussions, or other
24 presentations concerning matters within the scope of the
25 participants' official duties or other matters of public
26 policy, including social services and community development
27 policies, economic development or trade, ethics, government

1 services or programs, or government operations, and which,
2 taking into account the totality of the program or agenda,
3 could not reasonably be perceived as a subterfuge for a purely
4 social, recreational, or entertainment function.

5 "(14) FAMILY MEMBER OF THE PUBLIC EMPLOYEE. The
6 spouse or a dependent of the public employee.

7 "(15) FAMILY MEMBER OF THE PUBLIC OFFICIAL. The
8 spouse, a dependent, an adult child and his or her spouse, a
9 parent, a spouse's parents, a sibling and his or her spouse,
10 of the public official.

11 "(16) GOVERNMENTAL CORPORATIONS AND AUTHORITIES.
12 Public or private corporations and authorities, including but
13 not limited to, hospitals or other health care corporations,
14 established pursuant to state law by state, county or
15 municipal governments for the purpose of carrying out a
16 specific governmental function. Notwithstanding the foregoing,
17 all employees, including contract employees, of hospitals or
18 other health care corporations and authorities are exempt from
19 the provisions of this chapter.

20 "(17) HOUSEHOLD. The public official, public
21 employee, and his or her spouse and dependents.

22 "(18) LAW ENFORCEMENT OFFICER. A full-time employee
23 of a governmental unit responsible for the prevention or
24 investigation of crime who is authorized by law to carry
25 firearms, execute search warrants, and make arrests.

26 "(19) LEGAL DEFENSE FUND. All contributions
27 received, held, or expended for the legal defense of a public

1 employee or public official pursuant to Section 6.1 of this
2 chapter.

3 ~~"(19)~~ (20) LEGISLATIVE BODY. The term "legislative
4 body" includes the following:

5 "a. The Legislature of Alabama, which includes both
6 the Senate of Alabama and the House of Representatives of
7 Alabama, unless specified otherwise by the express language of
8 any provision herein, and any committee or subcommittee
9 thereof.

10 "b. A county commission, and any committee or
11 subcommittee thereof.

12 "c. A city council, city commission, town council,
13 or other municipal council or commission, and any committee or
14 subcommittee thereof.

15 ~~"(20)~~ (21) LOBBY or LOBBYING. The practice of
16 promoting, opposing, or in any manner influencing or
17 attempting to influence the introduction, defeat, or enactment
18 of legislation before any legislative body; opposing or in any
19 manner influencing the executive approval, veto, or amendment
20 of legislation; or the practice of promoting, opposing, or in
21 any manner influencing or attempting to influence the
22 enactment, promulgation, modification, or deletion of
23 regulations before any regulatory body. The term does not
24 include providing public testimony before a legislative body
25 or regulatory body or any committee thereof.

26 ~~"(21)~~ (22) LOBBYIST.

27 "a. The term lobbyist includes any of the following:

1 "1. A person who receives compensation or
2 reimbursement from another person, group, or entity to lobby.

3 "2. A person who lobbies as a regular and usual part
4 of employment, whether or not any compensation in addition to
5 regular salary and benefits is received.

6 "3. A consultant to the state, county, or municipal
7 levels of government or their instrumentalities, in any manner
8 employed to influence legislation or regulation, regardless
9 whether the consultant is paid in whole or part from state,
10 county, municipal, or private funds.

11 "4. An employee, a paid consultant, or a member of
12 the staff of a lobbyist, whether or not he or she is paid, who
13 regularly communicates with members of a legislative body
14 regarding pending legislation and other matters while the
15 legislative body is in session.

16 "b. The term lobbyist does not include any of the
17 following:

18 "1. An elected official on a matter which involves
19 that person's official duties.

20 "2. A person or attorney rendering professional
21 services in drafting bills or in advising clients and in
22 rendering opinions as to the construction and effect of
23 proposed or pending legislation, executive action, or rules or
24 regulations, where those professional services are not
25 otherwise connected with legislative, executive, or regulatory
26 action.

1 "3. Reporters and editors while pursuing normal
2 reportorial and editorial duties.

3 "4. Any citizen not lobbying for compensation who
4 contacts a member of a legislative body, or gives public
5 testimony on a particular issue or on particular legislation,
6 or for the purpose of influencing legislation and who is
7 merely exercising his or her constitutional right to
8 communicate with members of a legislative body.

9 "5. A person who appears before a legislative body,
10 a regulatory body, or an executive agency to either sell or
11 purchase goods or services.

12 "6. A person whose primary duties or
13 responsibilities do not include lobbying, but who may, from
14 time to time, organize social events for members of a
15 legislative body to meet and confer with members of
16 professional organizations and who may have only irregular
17 contacts with members of a legislative body when the body is
18 not in session or when the body is in recess.

19 "7. A person who is a member of a business,
20 professional, or membership organization by virtue of the
21 person's contribution to or payment of dues to the
22 organization even though the organization engages in lobbying
23 activities.

24 "8. A state governmental agency head or his or her
25 designee who provides or communicates, or both, information
26 relating to policy or positions, or both, affecting the
27 governmental agencies which he or she represents.

1 "~~(22)~~ (23) MINOR VIOLATION. Any violation of this
2 chapter in which the public official or public employee
3 receives an economic gain in an amount less than two hundred
4 fifty dollars (\$250) or the governmental entity has an
5 economic loss of less than two hundred fifty dollars (\$250).

6 "~~(23)~~ (24) PERSON. A business, individual,
7 corporation, partnership, union, association, firm, committee,
8 club, or other organization or group of persons.

9 "~~(24)~~ (25) PRINCIPAL. A person or business which
10 employs, hires, or otherwise retains a lobbyist. A principal
11 is not a lobbyist but is not allowed to give a thing of value.

12 "~~(25)~~ (26) PROBABLE CAUSE. A finding that the
13 allegations are more likely than not to have occurred.

14 "~~(26)~~ (27) PUBLIC EMPLOYEE. Any person employed at
15 the state, county, or municipal level of government or their
16 instrumentalities, including governmental corporations and
17 authorities, but excluding employees of hospitals or other
18 health care corporations including contract employees of those
19 hospitals or other health care corporations, who is paid in
20 whole or in part from state, county, or municipal funds. For
21 purposes of this chapter, a public employee does not include a
22 person employed on a part-time basis whose employment is
23 limited to providing professional services other than
24 lobbying, the compensation for which constitutes less than 50
25 percent of the part-time employee's income.

26 "~~(27)~~ (28) PUBLIC OFFICIAL. Any person elected to
27 public office, whether or not that person has taken office, by

1 the vote of the people at state, county, or municipal level of
2 government or their instrumentalities, including governmental
3 corporations, and any person appointed to a position at the
4 state, county, or municipal level of government or their
5 instrumentalities, including governmental corporations. For
6 purposes of this chapter, a public official includes the
7 chairs and vice-chairs or the equivalent offices of each state
8 political party as defined in Section 17-13-40.

9 ~~"(28)~~ (29) REGULATORY BODY. A state agency which
10 issues regulations in accordance with the Alabama
11 Administrative Procedure Act or a state, county, or municipal
12 department, agency, board, or commission which controls,
13 according to rule or regulation, the activities, business
14 licensure, or functions of any group, person, or persons.

15 ~~"(29)~~ (30) REPORTING PERIOD. The reporting
16 official's or employee's fiscal tax year as it applies to his
17 or her United States personal income tax return.

18 ~~"(30)~~ (31) REPORTING YEAR. The reporting official's
19 or employee's fiscal tax year as it applies to his or her
20 United States personal income tax return.

21 ~~"(31)~~ (32) RESPONDENT. A person alleged to have
22 violated a provision of this chapter and against whom a
23 complaint has been filed with the commission.

24 ~~"(32)~~ (33) STATEMENT OF ECONOMIC INTERESTS. A
25 financial disclosure form made available by the commission
26 which shall be completed and filed with the commission prior

1 to April 30 of each year covering the preceding calendar year
2 by certain public officials and public employees.

3 "~~(33)~~ (34) SUPERVISOR. Any person having authority
4 to hire, transfer, suspend, lay off, recall, promote,
5 discharge, assign, or discipline other public employees, or
6 any person responsible to direct them, or to adjust their
7 grievances, or to recommend personnel action, if, in
8 connection with the foregoing, the exercise of the authority
9 is not of a merely routine or clerical nature but requires the
10 use of independent judgment.

11 "~~(34)~~ (35) THING OF VALUE.

12 "a. Any gift, benefit, favor, service, gratuity,
13 tickets or passes to an entertainment, social or sporting
14 event, unsecured loan, other than those loans and forbearances
15 made in the ordinary course of business, reward, promise of
16 future employment, or honoraria or other item of monetary
17 value.

18 "b. The term, thing of value, does not include any
19 of the following, provided that no particular course of action
20 is required as a condition to the receipt thereof:

21 "1. A contribution reported under Chapter 5 of Title
22 17, ~~or~~ a contribution to an inaugural or transition committee, ~~or~~
23 or a contribution to a legal defense fund.

24 "2. Anything given by a family member of the
25 recipient under circumstances which make it clear that it is
26 motivated by a family relationship.

1 "3. Anything given by a friend of the recipient
2 under circumstances which make it clear that it is motivated
3 by a friendship and not given because of the recipient's
4 official position. Relevant factors include whether the
5 friendship preexisted the recipient's status as a public
6 employee, public official, or candidate and whether gifts have
7 been previously exchanged between them.

8 "4. Greeting cards, and other items, services with
9 little intrinsic value which are intended solely for
10 presentation, such as plaques, certificates, and trophies,
11 promotional items commonly distributed to the general public,
12 and items or services of de minimis value.

13 "5. Loans from banks and other financial
14 institutions on terms generally available to the public.

15 "6. Opportunities and benefits, including favorable
16 rates and commercial discounts, available to the public or to
17 a class consisting of all government employees.

18 "7. Rewards and prizes given to competitors in
19 contests or events, including random drawings, which are open
20 to the public.

21 "8. Anything that is paid for by a governmental
22 entity or an entity created by a governmental entity to
23 support the governmental entity or secured by a governmental
24 entity under contract, except for tickets to a sporting event
25 offered by an educational institution to anyone other than
26 faculty, staff, or administration of the institution.

1 "9. Anything for which the recipient pays full
2 value.

3 "10. Compensation and other benefits earned from a
4 non-government employer, vendor, client, prospective employer,
5 or other business relationship in the ordinary course of
6 employment or non-governmental business activities under
7 circumstances which make it clear that the thing is provided
8 for reasons unrelated to the recipient's public service as a
9 public official or public employee.

10 "11. Any assistance provided or rendered in
11 connection with a safety or a health emergency.

12 "12. Payment of or reimbursement for actual and
13 necessary transportation and lodging expenses, as well as
14 waiver of registration fees and similar costs, to facilitate
15 the attendance of a public official or public employee, and
16 the spouse of the public official or public employee, at an
17 educational function or widely attended event of which the
18 person is a primary sponsor. This exclusion applies only if
19 the public official or public employee meaningfully
20 participates in the event as a speaker or a panel participant,
21 by presenting information related to his or her agency or
22 matters pending before his or her agency, or by performing a
23 ceremonial function appropriate to his or her official
24 position; or if the public official's or public employee's
25 attendance at the event is appropriate to the performance of
26 his or her official duties or representative function.

1 "13. Payment of or reimbursement for actual and
2 necessary transportation and lodging expenses to facilitate a
3 public official's or public employee's participation in an
4 economic development function.

5 "14. Hospitality, meals, and other food and
6 beverages provided to a public official or public employee,
7 and the spouse of the public official or public employee, as
8 an integral part of an educational function, economic
9 development function, work session, or widely attended event,
10 such as a luncheon, banquet, or reception hosted by a civic
11 club, chamber of commerce, charitable or educational
12 organization, or trade or professional association.

13 "15. Any function or activity pre-certified by the
14 Director of the Ethics Commission as a function that meets any
15 of the above criteria.

16 "16. Meals and other food and beverages provided to
17 a public official or public employee in a setting other than
18 any of the above functions not to exceed for a lobbyist
19 twenty-five dollars (\$25) per meal with a limit of one hundred
20 fifty dollars (\$150) per year; and not to exceed for a
21 principal fifty dollars (\$50) per meal with a limit of two
22 hundred fifty dollars (\$250) per year. Notwithstanding the
23 foregoing, the lobbyist's limits herein shall not count
24 against the principal's limits and likewise, the principal's
25 limits shall not count against the lobbyist's limits.

26 "17. Anything either (i) provided by an association
27 or organization to which the state or, in the case of a local

1 government official or employee, the local government pays
2 annual dues as a membership requirement or (ii) provided by an
3 association or organization to a public official who is a
4 member of the association or organization and, as a result of
5 his or her service to the association or organization, is
6 deemed to be a public official. Further included in this
7 exception is payment of reasonable compensation by a
8 professional or local government association or corporation to
9 a public official who is also an elected officer or director
10 of the professional or local government association or
11 corporation for services actually provided to the association
12 or corporation in his or her capacity as an officer or
13 director.

14 "18. Any benefit received as a discount on
15 accommodations, when the discount is given to the public
16 official because the public official is a member of an
17 organization or association whose entire membership receives
18 the discount.

19 "c. Nothing in this chapter shall be deemed to
20 limit, prohibit, or otherwise require the disclosure of gifts
21 through inheritance received by a public employee or public
22 official.

23 "~~(35)~~ (36) VALUE. The fair market price of a like
24 item if purchased by a private citizen. In the case of tickets
25 to social and sporting events and associated passes, the value
26 is the face value printed on the ticket.

1 "~~(36)~~ (37) WIDELY ATTENDED EVENT. A gathering,
2 dinner, reception, or other event of mutual interest to a
3 number of parties at which it is reasonably expected that ~~more~~
4 ~~than 12~~ 8 or more individuals will attend and that individuals
5 with a diversity of views or interest will be present.

6 "§36-25-13.

7 "(a) No former public official shall serve for a fee
8 as a lobbyist or otherwise represent clients, including for
9 his or her employer, before the board, agency, commission,
10 department, or legislative body, of which he or she is a
11 former member for a period of two years after he or she leaves
12 such membership, and in the case of a former elected public
13 official, for a period of two years after the conclusion of
14 the term of office to which he or she was elected. For the
15 purposes of this subsection, such prohibition shall not
16 ~~include~~ apply to a former member of the Alabama judiciary who
17 as an attorney represents a client in a legal, non-lobbying
18 capacity.

19 "(b) ~~Notwithstanding~~ In addition to the provisions
20 of subsection (a), no public official elected to a term of
21 office at the state level of government shall serve for a fee
22 as a lobbyist ~~or otherwise represent clients,~~ including for
23 his or her employer, before the executive, legislative, or
24 judicial branch of state government, or any state board,
25 agency, commission, department, ~~or legislative body of which~~
26 ~~he or she is a former member~~ thereof for the remainder of the
27 term to which he or she was elected if a period of two years

1 ~~following the term of office for which he or she was elected,~~
2 ~~irrespective of whether~~ the member left the office prior to
3 the expiration of the term to which he or she was elected. For
4 the purposes of this subsection, such prohibition shall not
5 ~~include~~ apply to a former member of the Alabama judiciary who
6 as an attorney represents a client in a legal, non-lobbying
7 capacity.

8 "(c) No public employee shall serve for a fee as a
9 lobbyist or otherwise represent clients, including his or her
10 employer before the board, agency, commission, or department,
11 of which he or she is a former employee for a period of two
12 years after he or she leaves such employment. For the purposes
13 of this subsection, such prohibition shall not include a
14 former employee of the Alabama judiciary who as an attorney
15 represents a client in a legal, non-lobbying capacity.

16 "(d) No public official, director, assistant
17 director, department or division chief, purchasing or
18 procurement agent having the authority to make purchases, or
19 any person who participates in the negotiation or approval of
20 contracts, grants, or awards or any person who negotiates or
21 approves contracts, grants, or awards shall enter into,
22 solicit, or negotiate a contract, grant, or award with the
23 governmental agency of which the person was a member or
24 employee for a period of two years after he or she leaves the
25 membership or employment of such governmental agency.

26 "(e) No public official or public employee who
27 personally participates in the direct regulation, audit, or

1 investigation of a private business, corporation, partnership,
2 or individual shall within two years of his or her departure
3 from such employment solicit or accept employment with such
4 private business, corporation, partnership, or individual.

5 "(f) No former public official or public employee of
6 the state may, within two years after termination of office or
7 employment, act as attorney for any person other than himself
8 or herself or the state, or aid, counsel, advise, consult or
9 assist in representing any other person, in connection with
10 any judicial proceeding or other matter in which the state is
11 a party or has a direct and substantial interest and in which
12 the former public official or public employee participated
13 personally and substantially as a public official or employee
14 or which was within or under the public official or public
15 employee's official responsibility as an official or employee.
16 This prohibition shall extend to all judicial proceedings or
17 other matters in which the state is a party or has a direct
18 and substantial interest, whether arising during or subsequent
19 to the public official or public employee's term of office or
20 employment.

21 "(g) Nothing in this chapter shall be deemed to
22 limit the right of a public official or public employee to
23 publicly or privately express his or her support for or to
24 encourage others to support and contribute to any candidate,
25 political committee as defined in Section 17-22A-2,
26 referendum, ballot question, issue, or constitutional
27 amendment.

1 "§36-25-23.

2 "~~(a) No public official elected to a term of office~~
3 ~~shall serve for a fee as a lobbyist or otherwise represent a~~
4 ~~client, including his or her employer, before any legislative~~
5 ~~body or any branch of state or local government, including the~~
6 ~~executive and judicial branches of government, and including~~
7 ~~the Legislature of Alabama or any board, agency, commission,~~
8 ~~or department thereof, during the term or remainder of the~~
9 ~~term for which the official was elected. For purposes of this~~
10 ~~subsection, such prohibition shall not include a former member~~
11 ~~of the Alabama Judiciary who as an attorney represents a~~
12 ~~client in a legal, non-lobbying capacity.~~

13 "~~(b)~~ (a) No former member of the House of
14 Representatives or the Senate of the State of Alabama shall be
15 extended floor privileges of either body in a lobbying
16 capacity.

17 "~~(c)~~ (b) No public official, public employee, or
18 group of public officials or public employees shall solicit
19 any lobbyist to give any thing whether or not the thing
20 solicited is a thing of value to any person or entity for any
21 purpose other than a campaign contribution.

22 "~~(d)~~ (c) No principal or lobbyist shall accept
23 compensation for, or enter into a contract to provide lobbying
24 services which is contingent upon the passage or defeat of any
25 legislative action."

26 Section 2. Section 36-25-6.1 is added to the Code of
27 Alabama 1975, to read as follows:

1 "36-25-6.1.

2 "(a) Whenever used in this section the following
3 words and terms shall have the following meanings:

4 "(1) CONTRIBUTION. A payment, gift, subscription,
5 assessment, expenditure, contract, payment for services, dues,
6 advance, forbearance, loan, or donation of money or anything
7 of ascertainable monetary value, or a transfer of anything of
8 ascertainable monetary value to a person, made for or
9 allocated to the purpose of defending a public employee or
10 public official in a pending criminal, civil, or
11 administrative action or investigation related to conduct
12 reasonably related to the performance of his or her
13 governmental duties. The term does not include an offer or
14 tender of a contribution if expressly and unconditionally
15 rejected, returned, or refunded within 30 business days after
16 receipt.

17 "(2) TREASURER. The individual designated as
18 responsible for a legal defense fund's record keeping, report
19 preparation, and report filing.

20 "(b) A public employee or public official may form a
21 legal defense fund by filing a statement of organization with
22 the commission within 10 days of the date the legal defense
23 fund first receives a contribution.

24 "(c) A statement of organization required by this
25 section shall include all of the following information:

26 "(1) The name, street address, and telephone number
27 of the legal defense fund. The name of the legal defense fund

1 shall include the first and last names of the public employee
2 or public official who is the beneficiary of the legal defense
3 fund and the words "legal defense fund".

4 "(2) The name, street address, and telephone number
5 of the individual designated as the treasurer of the legal
6 defense fund. The treasurer of the legal defense fund may not
7 be the public employee or public official or any attorney who
8 has filed a notice of appearance on his or her behalf.

9 "(3) The full name of and position held by the
10 individual who is the beneficiary of the legal defense fund.

11 "(4) A description of the criminal, civil, or
12 administrative action or investigation related to conduct
13 reasonably related to the performance of that person's
14 governmental duties for which a contribution to the legal
15 defense fund was made.

16 "(d) If any of the information required in a
17 statement of organization under this section changes, the
18 legal defense fund shall file an amended statement of
19 organization.

20 "(e) When a legal defense fund is dissolved, the
21 public employee or public official shall file a statement of
22 dissolution and shall return any unexpended funds to the
23 contributor of the funds or forward the unexpended funds to
24 the State Treasurer for deposit into the State General Fund.

25 "(f) The treasurer of a legal defense fund shall
26 file transaction reports detailing all contributions and
27 expenditures of the fund quarterly no later than January 31,

1 April 30, July 31, and October 31 for the preceeding quarter.
2 The transaction report shall provide information on all
3 contributions and expenditures made by the fund.

4 "(1) The following information about each person
5 from whom a contribution is received during the covered
6 period:

7 "a. The person's full name.

8 "b. The person's street address.

9 "c. The amount contributed.

10 "d. The date on which each contribution was
11 received.

12 "e. The cumulative amount contributed by that
13 person.

14 "f. If the person is an individual whose cumulative
15 contributions are more than one hundred dollars (\$100.00), the
16 person's occupation, employer, and principal place of
17 business.

18 "(2) The following information itemized as to each
19 expenditure from the legal defense fund that exceeds fifty
20 dollars (\$50.00) and as to expenditures made to one person
21 that cumulatively total fifty dollars (\$50.00) or more during
22 a covered period:

23 "a. The amount of the expenditure.

24 "b. The name and address of the person to whom the
25 expenditure is made.

26 "c. The purpose of the expenditure.

27 "d. The date of the expenditure.

1 "(g) A public employee or public official, or a
2 person on his or her behalf, may not solicit or accept a
3 contribution for the purpose of defending the public employee
4 or public official in a criminal, civil, or administrative
5 action or investigation unless the contribution is made to a
6 legal defense fund that complies with the requirements of this
7 section.

8 "(h) A person may not make and the treasurer of a
9 legal defense fund may not accept an anonymous contribution.
10 An anonymous contribution to a legal defense fund shall not be
11 deposited in the fund, but shall be forwarded to the State
12 Treasurer for deposit into the State General Fund.

13 "(i) The solicitation or acceptance of a
14 contribution to a legal defense fund, by itself, does not
15 constitute the use of an official position for personal gain."

16 Section 3. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.