

HOUSE BILL REPORT

HB 1159

As Reported by House Committee On:
State Government, Elections & Information Technology

Title: An act relating to employment after public service in state government.

Brief Description: Concerning employment after public service in state government.

Sponsors: Representatives Pellicciotti, Haler, Sells, Pollet, Hudgins and Kilduff; by request of Attorney General.

Brief History:

Committee Activity:

State Government, Elections & Information Technology: 1/25/17, 2/1/17 [DP], 1/9/18, 1/10/18, 1/12/18 [DPS].

Brief Summary of Substitute Bill

- Prohibits certain former state officials and employees from lobbying or attempting to influence state government within one year of leaving public service.
- Requires the same former officials and employees to disclose certain employment activities for one year after leaving public service.

HOUSE COMMITTEE ON STATE GOVERNMENT, ELECTIONS & INFORMATION TECHNOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Hudgins, Chair; Dolan, Vice Chair; Appleton, Gregerson and Pellicciotti.

Minority Report: Do not pass. Signed by 4 members: Representatives McDonald, Ranking Minority Member; Kraft, Assistant Ranking Minority Member; Irwin and Johnson.

Staff: Sean Flynn (786-7124).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Under the state ethics law, former state officers and employees are barred from entering into certain employment and contractual arrangements after they leave public service.

Post-Public Employment Prohibitions.

One-Year Prohibition. A former officer or employee may not accept employment or receive compensation from an employer for one year after leaving public service if:

- the former officer or employee was in a position to affect contract negotiations or administration with the employer within two years before leaving public service;
- the contract or multiple contracts had a total value over \$10,000; and
- the employment opportunity includes fulfilling or implementing the contract provisions.

Two-Year Prohibition. A former officer or employee may not have a beneficial interest in a contract or grant for two years after leaving public service if he or she participated in the specific legislative or executive funding of that contract or grant.

Lifetime Prohibition. A former officer or employee may never accept employment or compensation from an employer if he or she has reason to believe the employer intended that the offer would influence the officer or employee's duties in public service, or would compensate or reward the officer or employee for past performance. The ban also applies where a reasonable person would believe the offer was made for the purpose of influencing the performance of the officer or employee while in public service.

A former officer or employee may never assist another person in any transaction involving the state if he or she participated in the transaction during state employment.

Enforcement.

The state ethics boards include a legislative and executive board as well as a commission on judicial conduct. Each board has authority, respectively, over the members and employees of each branch of government regarding the enforcement of state ethics law. The Attorney General may investigate persons not under the jurisdiction of the boards who are suspected of violating the ethics laws.

Each board has authority to issue civil penalties for violations of the state ethics law. The board may impose a penalty up to \$5,000 per violation, or up to three times the value of each thing received or sought that was in violation of the ethics law.

Summary of Substitute Bill:

Post-Employment Prohibitions.

Beginning on July 1, 2019, certain former state officers and employees are prohibited for one year after leaving public service from receiving compensation to serve as a lobbyist, practice or appeal before certain state agencies, or attempt to influence state actions on behalf of another person.

Statewide Prohibition. The following former officers and employees are banned for one year from lobbying or attempting to influence any state agency:

- statewide elected officials and state legislators;
- heads of agencies in the Governor's executive cabinet, as well as chiefs of staff and top administrators who report directly to those agency heads;
- the Chief Clerk of the House of Representatives, the Secretary of the Senate, and certain top administrators of each legislative chamber; and
- senior executive staff of legislative agencies and agencies managed by statewide elected officials or managed by the heads of executive cabinet agencies.

Prohibition Limited to Former Agency. The following former officers and employees are banned for one year from lobbying or attempting to influence their former agency:

- heads of agencies outside the Governor's cabinet, as well as chiefs of staff and top administrators who report directly to those agency heads; and
- senior executive staff of those agencies who exercise significant discretion and judgment on final agency policies.

Each agency must submit annually the names and positions of each senior executive staff member's name and position to the relevant ethics board.

Exceptions.

The one-year post-employment ban on lobbying or influencing state agencies does not apply to persons working for another state, local, or federal agency. It also does not apply to persons representing a person or testifying in a judicial or administrative hearing, testifying in a public legislative committee session, participating in rulemaking at the request of an agency, or assisting with ministerial activities.

The state ethics boards must adopt rules for persons who seek a waiver from the post-employment lobbying and influencing prohibitions. A waiver must be conditioned upon a finding that the compensated service does not present a conflict of interest, the need outweighs any potential conflict of interest, or emergency circumstances warrant a waiver.

Disclosure Statements.

Each former state officer or employee covered under the post-employment prohibition on lobbying state government must submit a post-employment disclosure form to the relevant state ethics board. The statement includes the former officer or employee's name, the last position held and state agency, and an acknowledgement of the post-employment prohibitions.

Substitute Bill Compared to Original Bill:

The substitute bill changes the effective date of the act to July 1, 2019, from 2018.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect July 1, 2019, except for section 4, relating to the ethics boards rulemaking authority to implement the reporting requirements, which takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

See House Bill Report in the 2017 Legislative Session.

Persons Testifying:

See House Bill Report in the 2017 Legislative Session.

Persons Signed In To Testify But Not Testifying: None.