

FACT SHEET: *Legislative Leaders' Regressive 'Ethics Reform'*

House Bill 3945 – the “ethics reform bill” that began in 2013 as an attempt to decriminalize the ethics code and punish groups and individuals who might criticize legislative leaders – may clear the Senate this week. Gov. Nikki Haley has indicated an intention to sign it. Unfortunately, this deliberately confusing legislation would take us backward on ethics reform. Not only does it fail to alter the one practice everyone agrees must change – legislative self-policing – it actually gives politicians more room for corruption and more power to silence their critics. Here’s what the bill actually does:

Most egregious provisions

- Guts the prohibition on converting campaign funds to personal use, and expands the definition of “official responsibilities” – meaning politicians could use campaign cash on almost anything.
- Potentially requires any person or group that even references a candidate within 60 days of a general or 30 days of a primary election to disclose their top donors – an easy way to silence issue-oriented groups that aren’t involved in elections.
- Alters the definition of “committee” to allow groups that spend less than 50 percent of their expenditures on candidate advocacy to decline to report their expenditures – an easy way for PACs to go anonymous
- Adds a new exception to allow public officials to lobby government bodies in any matter that “may become a contested case” – a provision that could allow lawmakers to lobby for their own businesses.
- Fails to require disclosure of all sources of private income. Exempted are checking, saving, and brokerage accounts, potentially allowing politicians to funnel money through their brokerages. Also exempted is income that, if disclosed, may “compromise the confidentiality” of an “economic development” project.
- Pretends to abolish leadership PACs but effectively allows their continuance by allowing public officials or the family of public officials to run a PAC through an agent.

Other dangerous provisions

- The State Ethics Commission no longer has to disclose all documents upon an investigation finding probable cause.
- Codifies House and Senate Ethics Committee rules that allow advisory opinions to remain confidential.
- Allows donors to avoid contribution limits by bankrolling personal services “not related” to elections.
- Allows legislative ethics committees to issue sanctions for the recovery of anything “of value” received in breach of ethical standards. In effect, lawmakers can collect the money that was used in a bribe with no stipulation on where this money actually went.

Several of these provisions – including the personal use of campaign funds, PAC loopholes, the altered definition of “committee” and “official responsibilities,” and lawmaker lobbying – would have significant implications for potential criminal charges against House Speaker Bobby Harrell. If these provisions were not written into the bill in order to protect the Speaker, the bill’s authors did a poor job of showing it.