DRAFT PREPARED BY LEGISLATIVE COUNCIL

A BILL

TO AMEND SECTION 8-13-100, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN REGARD TO ETHICS AND GOVERNMENT ACCOUNTABILITY, SO AS TO REVISE THE DEFINITION OF “BUSINESS WITH WHICH HE IS ASSOCIATED”; AND TO AMEND SECTION 8-13-1120, RELATING TO CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS, SO AS TO REVISE THE FORM AND REQUIRED CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 8-13-100(4) of the 1976 Code is amended to read:

“(4) ‘Business with which he is associated’ means a business of which the person or a member of his immediate family is a director, an officer, owner, employee, a compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class<u>, or a business owned by a separate business entity of which the person or a member of his immediate family is a director, an officer, owner, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class</u>.”

SECTION 2. Section 8-13-1120 of the 1976 Code is amended to read:

“Section 8-13-1120. ~~(A) A statement of economic interests filed pursuant to Section 8-13-1110 must be on forms prescribed by the State Ethics Commission and must contain full and complete information concerning:~~

~~(1) the name, business or government address, and workplace telephone number of the filer;~~

~~(2) the source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or a member of the filer’s immediate family during the reporting period;~~

~~(3)(a) the description, value, and location of all real property owned and options to purchase real property during the reporting period by a filer or a member of the filer’s immediate family if:~~

~~(i) there have been any public improvements of more than two hundred dollars on or adjacent to the real property within the reporting period and the public improvements are known to the filer; or~~

~~(ii) the interest can reasonably be expected to be the subject of a conflict of interest; or~~

~~(b) if a sale, lease, or rental of personal or real property is to a state, county, or municipal instrumentality of government, a copy of the contract, lease, or rental agreement must be attached to the statement of economic interests;~~

~~(4) the name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date, and location of the speaking engagement;~~

~~(5) the identity of every business or entity in which the filer or a member of the filer’s immediate family held or controlled, in the aggregate, securities or interests constituting five percent or more of the total issued and outstanding securities and interests which constitute a value of one hundred thousand dollars or more;~~

~~(6)(a) a listing by name and address of each creditor to whom the filer or member of the filer’s immediate family owed a debt in excess of five hundred dollars at any time during the reporting period, if the creditor is subject to regulation by the filer or is seeking or has sought a business or financial arrangement with the filer’s agency or department other than for a credit card or retail installment contract, and the original amount of the debt and amount outstanding unless:~~

~~(i) the debt is promised or loaned by a bank, savings and loan, or other licensed financial institution which loans money in the ordinary course of its business and on terms and interest rates~~

~~generally available to a member of the general public without regard to status as a public official, public member, or public employee; or~~

~~(ii) the debt is promised or loaned by an individual's family member if the person who promises or makes the loan is not acting as the agent or intermediary for someone other than a person named in this subitem; and~~

~~(b) the rate of interest charged the filer or a member of the filer's immediate family for a debt required to be reported in (a);~~

~~If a discharge of a debt required to be reported in (a) has been made, the date of the transaction must be shown.~~

~~(7) the name of any lobbyist, as defined in Section 2-17-10(13) who is:~~

~~(a) an immediate family member of the filer;~~

~~(b) an individual with whom or business with which the filer or a member of the filer's immediate family is associated;~~

~~(8) if a public official, public member, or public employee receives compensation from an individual or business which contracts with the governmental entity with which the public official, public member, or public employee serves or is employed, the public official, public member, or public employee must report the name and address of that individual or business and the amount of compensation paid to the public official, public member, or public employee by that individual or business;~~

~~(9) the source and a brief description of any gifts, including transportation, lodging, food, or entertainment received during the preceding calendar year from:~~

~~(a) a person, if there is reason to believe the donor would not give the gift, gratuity, or favor but for the official's or employee's office or position; or~~

~~(b) a person, or from an officer or director of a person, if the public official or public employee has reason to believe the person:~~

~~(i) has or is seeking to obtain contractual or other business or financial relationship with the official's or employee's agency; or~~

~~(ii) conducts operations or activities which are regulated by the official's or employee's agency if the value of the gift is twenty-five dollars or more in a day or if the value totals, in the aggregate, two hundred dollars or more in a calendar year.~~

<u>A statement of economic interests filed pursuant to Section 8-13-1110 must contain:</u>

<u>(A) the name, business or government address, and workplace or government telephone number of the filer;</u>

(B) full and complete information concerning:

(1) the identity of every business or entity in which the filer or a member of the filer's immediate family held or controlled, in the aggregate, securities or other issued interests constituting five percent or more of the total issued and outstanding securities and interests which constitute a value of one hundred thousand dollars or more;

(2)(a) a listing by name and address of each creditor to whom the filer or member of the filer's immediate family owed a debt in excess of five hundred dollars at any time during the reporting period, if the creditor is subject to regulation by the filer or is seeking or has sought a business or financial arrangement with the filer's agency or department other than for a credit card or retail installment contract, and the original amount of the debt and amount outstanding unless:

(i) the debt is promised or loaned by a bank, savings and loan, or other licensed financial institution which loans money in the ordinary course of its business and on terms and interest rates generally available to a member of the general public without regard to status as a public official, public member, or public employee; or

(ii) the debt is promised or loaned by an individual's family member if the person who promises or makes the loan is not acting as the agent or intermediary for someone other than a person named in this subitem; and

(b) the rate of interest charged the filer or a member of the filer's immediate family for a debt required to be reported in (a); provided that if a discharge of a debt required to be reported in (a) has been made, the date of the transaction must be shown;

(3)(a) the description, value, and location of all real property owned and options to purchase real property during the reporting period by a filer or a member of the filer's immediate family if:

(i) there have been any public improvements of more than two hundred dollars on or adjacent to the real property within the reporting period and the public improvements are known to the filer; or

(ii) the interest can reasonably be expected to be the subject of a conflict of interest; or

(b) if a sale, lease, or rental of personal or real property is to a state, county, or municipal instrumentality of government, a copy of the contract, lease, or rental agreement must be attached to the statement of economic interests;

(C) the name and nature of relationship with any lobbyist, as defined in Section 2-17-10(13) who is:

(1) an immediate family member of the filer; or

(2) an individual with whom or business with which the filer or a member of the filer's immediate family is associated. This subitem includes partnerships, limited liability companies, lease or tenant agreements, joint ownership of real estate, or any other investment or business relationship;

(D) the name and nature of relationship of any lobbyist principal, as defined in Section 2-17-10, who employs or otherwise compensates the filer or a member of the filer's immediate family or business with which the filer is associated;

(E) the name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date, and location of the speaking engagement;

(F) the source and a brief description of any gifts, including transportation, lodging, food, or entertainment received during the preceding calendar year from:

(1) a person, if there is reason to believe the donor would not give the gift, gratuity, or favor but for the official's or employee's office or position; or

(2) a person, or from an officer or director of a person, if not an individual, if the public official or public employee has reason to believe the person:

(a) has or is seeking to obtain contractual or other business or financial relationship with the official's or employee's agency; or

(b) conducts operations or activities which are regulated by the official's or employee's agency if the value of the gift is twenty-five dollars or more in a day or if the value totals, in the aggregate, two hundred dollars or more in a calendar year;

(G) the source and type of any income received in the previous year by the filer or a member of his immediate family that is contained on a W-2, K-1, 1099, or any other reporting form used by the Internal Revenue Service for the reporting or disclosure of income received by an individual. This subsection does not include income received pursuant to:

(1) a court order;

(2) interest from a savings or checking account with a bank, savings and loan, or other licensed financial institution which offers savings or checking accounts in the ordinary course of its business and on terms and interest rates generally available to a member of the general public without regard to status as a public official, public member, or public employee; or

(3) a mutual fund or similar fund in which an investment company invests its shareholders' money in a diversified selection of securities;

(H) the source, type, and amount of any income received in the previous year by the filer, a member of his immediate family, or a business with which the filer is associated that is contained on a W-2, K-1, 1099, or any other reporting form used by the Internal Revenue Service for the reporting or disclosure of income received by an individual or business that is derived from:

(1) a contractual or employment relationship to include consulting, acting as an independent contractor, salary, or any other arrangement from which payment in return for services or goods is derived, with a lobbyist principal, as defined in Section 2-17-10;

(2) direct payment from any governmental source to include federal sources, state sources, or sources which are political subdivisions of this state;

(3) any source funded in whole or in part by a contribution as defined in Section 8-13-100(9); or

(4) any source funded in whole or in part by an appropriation approved by the entity with which the filer serves.

~~(B)~~ This article does not require the disclosure of economic interests information concerning:

(1) a spouse separated pursuant to a court order from the public official, public member, or public employee;

(2) a former spouse;

(3) a campaign contribution that is permitted and reported under Article 13 of this chapter; or

(4) matters determined to require confidentiality pursuant to Section 2-17-90(E)."

SECTION 3. This act takes effect upon approval by the Governor.

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