

Executive Subcommittee Meeting

Tuesday, July 20, 2021

Table of Contents

Contents

Agenda..... 2

Meeting Minutes 4

Study Timeline 8

 Figure 1. Key dates in the study process. 8

Agency Snapshot 9

 Figure 2. Snapshot of the agency’s major organizational units, fiscal year 2019-20 resources (employees and funding),
 successes, and challenges. 9

Agency Presentation – Required Filings 10

Committee Contact Information and Upcoming Meetings 66

End Notes 68

AGENDA

South Carolina
House of Representatives



Legislative Oversight Committee

EXECUTIVE SUBCOMMITTEE

The Honorable Joseph H. Jefferson, Jr., Chairman

The Honorable Travis A. Moore

The Honorable Wm. Weston J. Newton

The Honorable Melissa Lackey Oremus

Tuesday, July 20, 2021

10:00 a.m.

Room 321, Blatt Building

Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever technologically feasible.

AGENDA

- I. Approval of Subcommittee Meeting Minutes**
- II. Discussion of the study of the State Ethics Commission**
- III. Adjournment**

MEETING MINUTES

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

*Kambrell H. Garvin
Rosalyn D. Henderson-Myers
Jeffrey E. "Jeff" Johnson
John R. McCravy, III
Adam M. Morgan
Melissa Lackey Oremus
Marvin R. Pendarvis
Tommy M. Stringer
Chris Wooten*



South Carolina House of Representatives

*Gil Gatch
William M. "Bill" Hixon
Kimberly O. Johnson
Josiah Magnuson
Timothy A. "Tim" McGinnis
Travis A. Moore
Russell L. Ott
Michael F. Rivers, Sr.
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson
Research Director*

**Post Office Box 11867
Columbia, South Carolina 29211**

*Charles L. Appleby, IV
Legal Counsel*

*Cathy A. Greer
Administration Coordinator*

**Telephone: (803) 212-6810 • Fax: (803) 212-6811
Room 228 Blatt Building**

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Legislative Oversight Committee

Thursday, May 13, 2021

8:30 a.m.

Blatt Room 321

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Education and Cultural Subcommittee meeting was called to order by Committee Vice-Chair and Executive Subcommittee Chair Joseph H. Jefferson, Jr., on Thursday, May 13, 2021, in Room 321 of the Blatt Building. All members (Representative Travis A. Moore; Representative Wm. Weston J. Newton; and Representative Melissa Lackey Oremus) were present for all or a portion of the meeting. Additionally, Representative Robert Q. Williams attended the meeting, and staff of the House Ethics Committee attended the meeting.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

Approval of Minutes

- I. Representative Newton makes a motion to approve the meeting minutes from the April 29, 2021, meeting. A roll call vote was held, and the motion passed.

Rep. Newton motion to approve the April 29, 2021, meeting minutes.	Yea	Nay	Not Voting
Rep. Jefferson	✓		
Rep. Moore	✓		
Rep. Newton	✓		
Rep. Oremus	✓		

Constituent Testimony

- I. Chair Jefferson places Mr. Skip Hoagland of Hilton Head under oath. Mr. Hoagland provided brief testimony, and there were no questions from members concerning his testimony.

Discussion of State Ethics Commission

- I. Chair Jefferson reminds Ms. Meghan Walker, Executive Director of the State Ethics Commission, and Ms. Courtney Laster, General Counsel of the State Ethics commission, that they remain under oath.
- II. Director Walker and Ms. Laster provide comments related to:
 - a. Who must comply with the ethics act?
 - i. Candidates;
 - ii. Public officials have required filings;
 - iii. Public members – filings;
 - iv. Lobbyists and lobbyist principals; and
 - v. Committees.

- b. What information does everyone receive?
 - i. Website;
 - ii. Social media;
 - iii. Additional communication: brochures and newsletters;
 - iv. Advisory opinions: informal and formal;
 - v. Associated performance measures;
 - vi. Technology breaches (none); and
 - vii. Recommended law change.

III. Subcommittee members ask questions relating to the following:

- a. Candidate filings;
- b. Public officials;
- c. Public members;
- d. Gaps in notification to the agency about candidates;
- e. Constitutional concerns about the definition of committee;
- f. Website usage;
- g. Marketing of social media information;
- h. Trends in violations;
- i. Delivery of the training (e.g., how to videos);
- j. Notification requirements about appointments;
- k. Informal advisory opinions; and
- l. Associated performance measures.

Agency staff respond to the members' questions.

Adjournment

- I. There being no further business, the meeting is adjourned.

STUDY TIMELINE

The House Legislative Oversight Committee's (Committee) process for studying the State Ethics Commission (agency) includes actions by the full Committee; Executive Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below in Figure 1.

Legislative Oversight Committee Actions

- December 9, 2019 – Holds **Meeting #1** and prioritizes the agency for study
- January 15, 2020 - Provides the agency notice about the oversight process
- February 28 – April 1, 2020 - Solicits input about the agency in the form of an online public survey
- April 8, 2021 – Holds **Meeting #2** to receive public testimony about the agency

Executive Subcommittee Actions

- April 29, 2021 - Holds **Meeting #3** to discuss the agency's vision; mission; director responsibilities; organizational structure; history; and general information about finances and employees
- May 13, 2021 - Holds **Meeting #4** to discuss the agency's services related to education and training
- July 20, 2021 - Holds **Meeting #5 (TODAY)** to discuss the agency's services related to required filings

State Ethics Commission

- March 31, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- January 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **2015-16 Accountability Report**
- September 2017 - Submits its **2016-17 Accountability Report**
- September 2018 - Submits its **2017-18 Accountability Report**
- September 2019 - Submits its **2018-19 Accountability Report**
- March 9, 2020 - Submits its **Program Evaluation Report**
- September 2020 - Submits its **2019-20 Accountability Report**
- March, 2021 - Submits updates to its **Program Evaluation Report**
- December, 2019 - Present - Responds to Subcommittee's inquiries

Public's Actions

- February 28 – April 1, 2020 - Provides input about the agency via an **online public survey**
- Ongoing - Submits written comments on the Committee's webpage on the General Assembly's website (www.scstatehouse.gov)

Figure 1. Key dates in the study process.

AGENCY SNAPSHOT

South Carolina Ethics Commission

History

- 1975 - Governor James Edwards signed the Ethics Acts which created the State Ethics Commission.
- 1978 - First statewide election year the Commission accepted Campaign disclosure forms from candidates and committees.
- 1982 - Ethics Act amended to include prohibiting an employment offer to influence a public official and prohibiting a public official from representing clients on matters in which the official was directly and substantially involved.
- 1991 - Ethics, Government Accountability, and Campaign Reform Act of 1991 makes comprehensive ethics reform (prior to filing Operation Lost Trust had criminally convicted 27 legislators and lobbyists)
- 2011 - H. 3183 signed into law, capping late filing penalties at \$5,000 per report, allowing multiple offenses to be tried in magistrate's court, and requiring lobbyists to pay all outstanding fines prior to reregistration or resuming lobbying activities.

Agency Mission

The mission of the State Ethics Commission is to work diligently to develop and enhance public trust in all levels of government.

Organizational Units

Administration

- Implements Commission's mission

Compliance

- Oversee the day-to-day operations of the electronic filing system for campaign fiancé, financial disclosure and lobbying disclosure

Investigation

- Investigates alleged violations

Disclosures

- Notifies those who fail to file required forms, handle all non-compliance matters

Legal

- Administratively prosecutes alleged violations of the Act, represents the Commission in Court, advises and trains public officials under the Act, and drafts formal opinions.

Resources (FY 19-20)

Employees

17
filled FTE positions
at end of the fiscal year

Funding

\$2,135,987
appropriated and authorized

Successes

Identified by the agency

- Increasing efforts towards "going green," resulting in increased efficiency and a reduction in both costs and environmental impact.
- Training, in the past two years, more than two thousand individuals subject to the act.
- Resolving backlog of 120 cases since March 2018, leaving 16 cases currently pending.

Challenges

Identified by the agency

Current:

- Receiving a constitutional definition of committee to enforce applicable state statutes
- Increasing staffing to decrease backlog and provide timelier accountability for late filers
- Securing case management software

Emerging:

- Regulating potential campaign contributions that occur through cryptocurrency
- Replacing the current filing system for accountability and reporting
- Increasing staffing to regulate local lobbyist

Figure 2. Snapshot of the agency's major organizational units, fiscal year 2019-20 resources (employees and funding), successes, and challenges.¹

AGENCY PRESENTATION – REQUIRED FILINGS



SOUTH CAROLINA
State Ethics Commission

REQUIRED FILINGS

LEGISLATIVE OVERSIGHT HEARING

Disclaimer:

Updates to

Program

Evaluation

Report

In preparing the Deliverable Group presentations, some data provided in the original Program Evaluation Report has been corrected. The presentations will reference the corrected data, and the Program Evaluation Report will be updated once the Deliverable Group presentations are concluded.



*Who must
comply with
the Ethics Act?*

Public Officials – Candidates

- Seek appointment, nomination, or election, etc.

Public Officials – Elected/Appointed

- Elected or appointed to state, county, municipality or political subdivision
- Appointed to position that pays more than per diem or expense reimbursement

Public Members – Appointed

- Appointed to part-time position on a board, commission, or council that pays no more than per diem or expense reimbursement

Public Employees

- Employed by state, county, municipality, or political subdivision

*Who must
comply with
the Ethics Act?*

Lobbyists

- Seek to influence action or vote, with or without compensation

Lobbyists Principals

- Employ, appoint, or retain lobbyist

Committees

- Association, club, organization, or group of persons which seek to influence the outcome of an elective office or ballot measure by receiving, contributing, or expending certain levels of money. It also means a person who makes certain contributions or independent expenditures to influence the outcome of an elective office.

What filings are required?

*Note: The Ethics Act also
requires and prohibits certain
actions other than filings.*

Campaign Disclosure Reports

Statements of Economic Interests

Lobbyist and Lobbyist Principal Registrations

Lobbyist and Lobbyist Principal Disclosures

Statement of Organization

Where to file
and
Where to view filings

Public Accountability Reporting System

(Deliverable #9 in agency PER)

Purpose (as understood by agency): System used by public officials, public members and public employees to file required reports and disclosures.

Law: Section 8-13-365

Customers: Public officials, public employees, public members, political parties, lobbyists, and lobbyists principals, or any individual filing reports, as well as any individual viewing disclosures and reports filed in the system.

Customer satisfaction evaluated: No

Service unit: Public Accountability Reporting System

	Units provided	Cost per unit	Customers served
'16-17	1	\$5,889.09	267,307
'17-18	1	\$7,203.71	290,036
'18-19	1	\$7,639.48	237,089
'19-20	1	\$8,953.16	287,523

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.06	\$5,889.09	0.57%
'17-18	0.06	\$7,203.71	0.54%
'18-19	0.06	\$7,639.48	0.45%
'19-20	0.08	\$8,953.16	0.50%

Note: additional employee equivalents in 2019-20 are attributed to additional time required to upgrade the system.

Public Disclosure Accountability Reporting System

- Electronic filing system created by and operated at the direction of the Commission in conjunction with the House and Senate Ethics Committees, respectively.
- System is used to file the following disclosures and reports:
 - Lobbyist and Lobbyist's Principal Registrations
 - Lobbyist and Lobbyist's Principal Disclosures
 - Statements of Economic Interests
 - Campaign Disclosure Reports
 - Committee Reports (not currently enforceable)
- System is not used to file the following forms and reports:
 - Statements of Economic Interests filed by candidates for public office who are voted on by election in the General Assembly



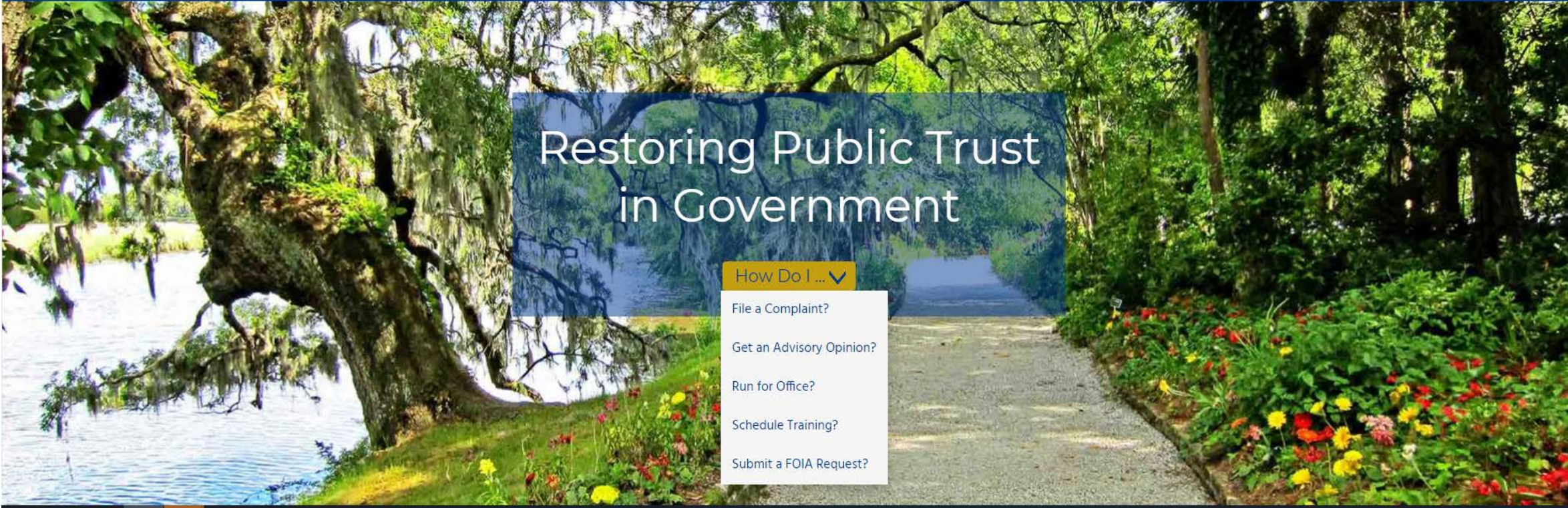
SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received

Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)



SOUTH CAROLINA State Ethics Commission

Restoring Public Trust in Government

- How Do I ... ▾
- [File a Complaint?](#)
 - [Get an Advisory Opinion?](#)
 - [Run for Office?](#)
 - [Schedule Training?](#)
 - [Submit a FOIA Request?](#)

Public Disclosure Accountability Reporting System

*Snapshot of
Webpage for
Reporting
System*

Public Disclosure and Accountability Reporting System

Public Disclosure

- Public Disclosure
 - Individual Reports
 - Contributions
 - Expenditures
 - Lobbying Activity
- Electronic Filing
- SC State Ethics Commission
- Contact Us

Public Disclosure and Accountability Reporting Welcome

Welcome to the State Ethics Commission Online Public Disclosure and Accountability Reporting System. Campaign Disclosure forms for Constitutional officers and candidates and local office holders and candidates are available online for viewing. Campaign disclosure forms for non-candidate committees, political parties and caucuses are also available online for viewing. Statement of Economic Interests forms for all elected officials, all public members of state boards and commissions and certain public employees are available online for viewing. These filings can be accessed by searching individual financial reports, contributions and expenditures.

[Individual Financial Reports](#) [Contributions](#) [Expenditures](#)

Registrations for both lobbyists and their respective lobbyist's principals are available online for viewing. Disclosure for both lobbyists and their respective lobbyist's principals will also be available at the conclusion of the first disclosure period, June 30, 2009, for the period, January 1, 2009 through May 31, 2009.

[Lobbying Activity](#)

If you have questions concerning the filings, please contact the [State Ethics Commission](#). If you have problems accessing the information, please contact [SC.GOV](#).

Disclosure filings for Constitutional Officer races for the period 4th quarter 2005 to 3rd quarter 2007 are available [online for viewing](#) and reporting.



Public Disclosure Accountability Reporting System

- Commission staff, House Ethics Committee staff and Senate Ethics Committee staff are working with South Carolina Interactive to launch a new Public Disclosure Accountability Reporting System.
- Benefits hoped to gain include:
 - Easier filing of Campaign Disclosures.
 - Easier filing of Statements of Economic Interests.
 - Easier sorting of candidate and contributor information for public use.
 - Updated notifications/reminders of filing deadlines.

Updated

Portal Testing



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received

Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)

Filing:

Campaign Disclosure Reports

Who is Required to File?

	Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Campaign Disclosure Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>



Campaign Disclosure Reports

(Deliverable #7 in agency PER)

Purpose (as understood by agency)

Please see data to the right.

Law: Required by S.C. Code §§ 8-13-1308; 8-13-1309; 8-13-1310; 8-13-1360; 8-13-1362; 8-13-1364; 8-13-1366; 8-13-1368

Customers: Public officials and political parties.*

**Citizens for Life v. Krawcheck* negatively impacted this required filing.

Customer satisfaction evaluated: No
Service unit: Campaign Disclosure or Operating Disclosure

	Units provided	Cost per unit	Customers served
'16-17	6,302	\$13.14	Unknown^
'17-18	5,794	\$18.71	Unknown^
'18-19	6,058	\$19.24	Unknown^
'19-20	6,588	\$30.72	Unknown^

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.85	\$82,782.85	7.96%
'17-18	0.90	\$108,418.23	8.16%
'18-19	0.95	\$116,547.04	6.89%
'19-20	2.15	\$202,364.07	11.00%

Campaign Disclosure Reports

Financial statements filed by public officials disclosing campaign transactions including, but not limited to, the following:

- Total of contributions accepted.
- Name and address of each person making a contribution of more than \$100 with the amount and date of receipt of each contribution.
- Total expenditures made by or on behalf of the candidate or committee.*
- Name and address of each person to whom an expenditure is made from campaign funds, including the date, amount, purpose, and beneficiary of the expenditure.

**Citizens for Life v. Krawcheck* held that the definition of "committee" in the Ethics Reform Act is unconstitutional. The Commission has been unable to enforce filing requirements of committees since 2010.

Please see Sections 8-13-1308 and 8-13-1326 for a complete list of the contents of campaign disclosures.



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received

Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)

Campaign Disclosure Reports

*Keeping
information current
and
Manual reentry*

Commission staff enters new election date in the Public Accountability and Reporting System so that candidates will be able to select their election date when creating an account or filing their Campaign Disclosure Reports.

Manual Reentry Situation

- State Election Commission provides election dates, which the Commission uses to *manually update information* related to Campaign Disclosures

Campaign Disclosure Reports

The Commission issued Advisory Opinion 2021-001 on the acceptance of cryptocurrency for campaign contributions.

- The House Ethics Committee has issued a similar Advisory Opinion.

At this time, the Commission has advised candidates *not to* accept cryptocurrency as a form of campaign contribution.

The Commission awaits legislative action on the acceptance of cryptocurrency but expresses the following concerns:

- Ability to place cryptocurrency in a campaign checking account.
- Ability to enforce campaign contribution limits for cryptocurrency.
- Ability to identify the identity of a contributor of cryptocurrency

*Emerging
Issue*

Filing:

Statements of Economic Interests

Who is Required to File?

	Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Campaign Disclosure Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
Statements of Economic Interests	<input checked="" type="checkbox"/> ^	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *			

* Statements of Economic Interests are filed annually by public members appointed to a state board, commission, or council and DOT District Engineering Administrators. Public employees who serve in the capacity of chief administrative officer or chief financial for their governmental entity as well as school district superintendents, county administrators, and city managers. Chief administrative officials for political subdivisions included in Section 8-13-1110(b) of the SC Code of Laws.

^Only partisan candidates



Statements of Economic Interests

(Deliverable #8 in agency PER)

Purpose (as understood by agency)

Please see data to the right.

Law: Required by S.C. Code §§ 8-13-1110; 8-13-1120; 8-13-1140; 8-13-1356

Customers: Public officials, public members, and public employees

Customer satisfaction evaluated: No

Service unit: A Statement of Economic Interests

	Units provided	Cost per unit	Customers served
'16-17	8,841	\$8.06	8,841
'17-18	8,865	\$9.78	8,865
'18-19	8,652	\$12.29	8,652
'19-20	9,045	\$18.29	9,045

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	1.00	\$71,268.35	6.86%
'17-18	0.95	\$86,669.80	6.52%
'18-19	1.23	\$106,309.33	6.29%
'19-20	2.04	\$165,405.76	9.00%

Statements of Economic Interests

Financial statements filed annually by certain public officials, public members, and public employees disclosing personal financial information including, but not limited to:

- Value of income received from a governmental entity by the filer or the filer's immediate family.
- Private sources of any type of income received by the filer or the filer's immediate family.
- Name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group.
- Source and description of any gifts, including transportation, lodging, food, or entertainment received from a person if given due to the filer's position or from a person who has or is seeking to obtain a business relationship with the filer's agency.

Please see Section 8-13-1120 for a complete list of the contents of Statements of Economic Interests.



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received

Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)

*Keeping
information current
and
Manual reentry*

Statements of Economic Interests

Entity Lists are sent to each local and state government entity to be updated and returned to our office. Commission staff then updates the Public Accountability and Reporting System for required filers.

Information received from each governmental entity is kept for four years.

Manual Reentry Situation

- Secretary of State provides information related to Special Purpose Districts, which the Commission uses to *manually add and delete entities from its electronic filing system* for purposes of Statements of Economic Interests.

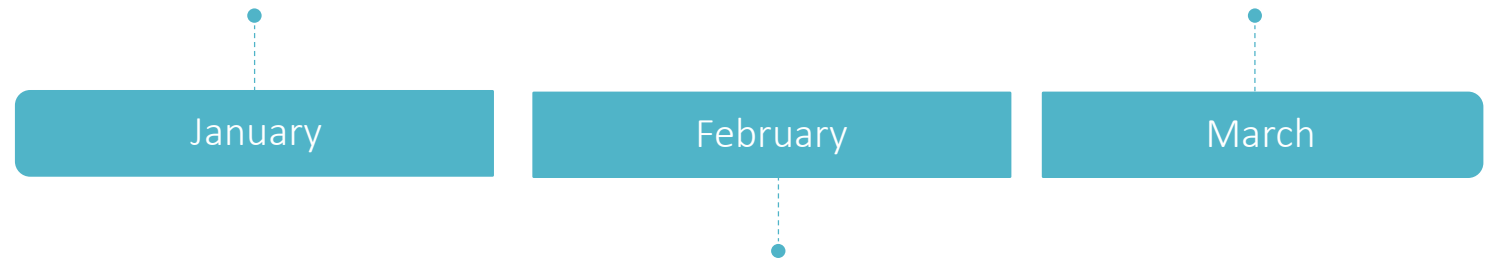
Statements of Economic Interests – Public Employees

*Keeping
information current
and
Manual reentry*

Ethics Commission mails an “Entity List” to each government entity throughout the state.

It lists the names of all individuals at the entity who are required to file a Statement of Economic Interests.

All individuals required to file a Statement of Economic Interests must do so by March 30.



Each government entity reviews and, if necessary, amends the list.

Each government entity mails the list back to the Commission.



Entity List

(Deliverable #10 in agency PER)

Purpose (as understood by agency): Set forth the procedures under which the agency administers Ethics Reform Act of 1991

Law: Required by S.C. Regulation 52-602

Customers: Governmental entity* under the jurisdiction of the State Ethics Commission.

*Means the State, a county, municipality, or political subdivision thereof with which a public official, public member, or public employee is associated or employed; and any charitable organization or foundation as stated in S.C. Code Section 8-13-100(17)

Customer satisfaction evaluated: No

Service unit: Entity listing

	Units provided	Cost per unit	Customers served
'16-17	1,050	\$10.65	1,050
'17-18	1,050	\$13.98	1,050
'18-19	1,050	\$14.95	1,050
'19-20	1,050	\$30.12	1,050

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.15	\$11,185.45	1.08%
'17-18	0.15	\$14,682.74	1.11%
'18-19	0.2	\$15,700.65	0.93%
'19-20	.42	\$31,627.46	2.00%

Entity List

Governmental entity means the State, a county, municipality, or political subdivision thereof with which a public official, public member, or public employee is associated or employed.

Governmental entity also means any charitable organization or foundation, but not an athletic organization or athletic foundation which is associated with a state educational institution and which is organized to raise funds for the academic, educational, research, or building programs of a college or university. See Section 8-13-100(17).



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received
Responsible: Compliance Division (4 employees in division at end of '18-19)

Example letter
with list for
government
entity to review

CHILDS C. THRASHER, CHAIR
DONALD GIST, VICE CHAIR
BRIAN M. BARNWELL
SAMUEL L. ERWIN



DON JACKSON
VICTOR K. LI
BRANDOLYN THOMAS PINKSTON
ASHLEIGH R. WILSON

204 EXECUTIVE CENTER DRIVE, SUITE 150, COLUMBIA, S.C. 29210
MEGHAN L. WALKER - EXECUTIVE DIRECTOR

DATE: December 31, 2019
TO: College and University Administrators

It is time to file the 2020 Statement of Economic Interests (SEI) report. Each filer is required to do his report electronically—there are no exceptions. Individuals on the attached list have an electronic account and filed a 2019 SEI. New additions to your list need to go to our website and—after reviewing the “Users Guide” section—click on Electronic Filing and then “create an account.” Our website address is <http://ethics.sc.gov>. Filers can contact our office if they have forgotten their username.

Please review the attached list and then provide the following:

- ▶ All officials and employees required to file are listed with position titles and date of hire or appointment or term of office. Filers should update their account’s “Profile” to correct an address or e-mail.
- ▶ Employees and public members who will no longer hold their positions as of March 30, 2020, should be removed from the Entity list. Please provide the reason for deletion (i.e. retirement, resignation, deceased, etc.) and their replacement, if known. New persons must file immediately upon assuming the duties of the new position whether their start date is before or after March 30.
- ▶ If your office has or will have an address change, please indicate this on the Entity list.
- ▶ Mark corrections, additions or deletions directly on the Entity list. If you feel you need to do a new list, still return the old list. Sign, date and return the list to our office by **February 14, 2020**. You can e-mail it to karen@ethics.sc.gov, fax it to 803/253-7539, or regular mail the list to our office.

REMINDER REQUIREMENT: All filers must disclose (1) the source and (2) the type (but not the amount) of any private income received in the previous year by the filer or a member of the filer’s immediate family under the **Income & Benefits section of the 2020 SEI**.

Trustees elected by the General Assembly are required to file. College and University employees required to file include the Agency Head (i.e. the president), chief financial official, chief purchasing official, deputy directors, and directors of each separate institution or facility, by whatever title (regardless of part time or full time employment if performing the duties of the chief position). **You must note whether your deans and vice presidents are filing as deputies or directors. Academic titles are not listed.** Any person who is added due to promotion, new hire (including interims), change in staff organization, etc. is required to file immediately upon assuming the duties of the new position, regardless of the date. Please update this information with our office should any changes occur throughout the year.

You can assist your filers with the SEI reports as long as you offer it to all individuals who are required to file the SEI. **Late filing and failure to file will result in penalties starting at \$100 if the report is not filed within five (5) days of the new March 30, 2020, deadline.** If there are any questions, please feel free to contact us at 803/253-4192.



SOUTH CAROLINA
State Ethics Commission

Filing:

Lobbyist and Lobbyist's Principal
Registrations

Who is Required to File?

	Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Campaign Disclosure Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
Statements of Economic Interests	<input checked="" type="checkbox"/> ^	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *			
Lobbyist and Lobbyist Principal Registration					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

* Statements of Economic Interests are filed annually by public members appointed to a state board, commission, or council and DOT District Engineering Administrators. Public employees who serve in the capacity of chief administrative officer or chief financial for their governmental entity as well as school district superintendents, county administrators, and city managers. Chief administrative officials for political subdivisions included in Section 8-13-1110(b) of the SC Code of Laws.

^Only partisan candidates



Lobbyist and Lobbyist Principal Registrations

(Deliverable #5 in agency PER)

Purpose (as understood by agency)

Please see data to the right.

Law: Required by S.C. Code §§ 2-17-20; 2-17-25; 2-17-60

Customers: Lobbyists and Lobbyist's Principals.

Customer satisfaction evaluated: No

Service unit: A Lobbyist or Lobbyist's Principal Registration.

	Units provided	Cost per unit	Customers served
'16-17	1,837	\$15.20	1,837
'17-18	1,969	\$15.27	1,969
'18-19	2,059	\$14.65	2,059
'19-20	1,778	\$16.42	1,778

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.35	\$27,924.40	2.69%
'17-18	0.30	\$30,056.88	2.26%
'18-19	0.30	\$30,171.50	1.78%
'19-20	0.30	\$29,202.48	2.00%

Lobbyist and Lobbyist Principal Registrations

Required filings for lobbyists and their principals disclosing identifying information including, but not limited to, the following:

- Full name, address, and telephone number of the lobbyist's principal.
- Identification* of each person the lobbyist's principal expects to employ, appoint, or retain as a lobbyist.
- Identification of each person to whom income attributable to the lobbyist's lobbying is paid or promised and the amount of the income attributable to the lobbyist's lobbying paid or promised.
- Complete itemized account of all amounts expended by a lobbyist's principal for lobbying during the covered period.

Please see Section 2-17-25 and 2-17-35 for a complete list of the contents of lobbyist's and lobbyist's principal's registrations.

*Identification includes the lobbyist's full name and address, telephone number, occupation and name of employer.



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received

Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)

Lobbyist and Lobbyist Principal Registrations

Lobbyist and Lobbyist Principals registration is triggered by the lobbyist or principal. There is no database of lobbyists or principals other than the registration(s) available on the Commission's website.

*Keeping
information current*

Filing:

Lobbyist and Lobbyist's Principal
Disclosures

Who is Required to File?

	Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Campaign Disclosure Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
Statements of Economic Interests	<input checked="" type="checkbox"/> ^	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *			
Lobbyist and Lobbyist Principal Registration					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Lobbyist and Lobbyist Principal Disclosures					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

* Statements of Economic Interests are filed annually by public members appointed to a state board, commission, or council and DOT District Engineering Administrators. Public employees who serve in the capacity of chief administrative officer or chief financial for their governmental entity as well as school district superintendents, county administrators, and city managers. Chief administrative officials for political subdivisions included in Section 8-13-1110(b) of the SC Code of Laws.

^Only partisan candidates



Lobbyist Disclosures

(Deliverable #6 in agency PER)

Purpose (as understood by agency)

Please see data to the right.

Law: Required by S.C. Code §§ 2-17-30; 2-17-35; 2-17-40; 2-16-60

Customers: Lobbyists and Lobbyist's Principals

Customer satisfaction evaluated: No

Service unit: A Lobbyist or Lobbyist's Principal disclosure.

	Units provided	Cost per unit	Customers served
'16-17	3,500	\$7.28	3,500
'17-18	3,564	\$7.19	3,564
'18-19	3,784	\$6.73	3,784
'19-20	3,706	\$8.82	3,706

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.30	\$24,485.75	2.45%
'17-18	0.25	\$25,563.57	1.93%
'18-19	0.25	\$25,458.67	1.51%
'19-20	0.35	\$32,701.86	2.00%

Lobbyist and Lobbyist's Principal Disclosures

Financial statements filed by lobbyists and their principals disclosing lobbying expenditures including, but not limited to, the following:

- Identification of each person who acted as a lobbyist on behalf of the reporting lobbyist's principal during the covered period.
- Official name, number, or description designated by the House or Senate or by an agency, of legislation, covered agency actions, or covered gubernatorial actions for which its lobbyist engaged in lobbying during the covered period.
- Identification of each person to whom income attributable to the lobbyist's lobbying is paid or promised and the amount of the income attributable to the lobbyist's lobbying paid or promised.
- Complete itemized account of all amounts expended by a lobbyist's principal for lobbying during the covered period.

Please see Sections 2-17-30 and 2-17-35 for a complete list of the contents of lobbyist's principal's disclosures.



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of compliance calls received
Responsible: Compliance/Disclosures (6 employees in division at end of '19-20)

Filing:

Committee Statement of Organization

Note: The Commission is currently unable to enforce laws that require Committees to file the information on the next slides because in 2010 a federal district court found the definition of “committee” was unconstitutional. *South Carolina Citizens for Life v. Krawcheck*, 759 F. Supp.2d 708 (D.S.C. 2010). However, the Commission has requested a constitutional definition of committee and is working with the Senate Judiciary Committee on proposed language.

Who is Required to File?

	Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Campaign Disclosure Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>
Statements of Economic Interests	<input checked="" type="checkbox"/> ^	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/> *			
Lobbyist and Lobbyist Principal Registration					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Lobbyist and Lobbyist Principal Disclosures					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Statement of Organization							<input checked="" type="checkbox"/>

* Statements of Economic Interests are filed annually by public members appointed to a state board, commission, or council and DOT District Engineering Administrators. Public employees who serve in the capacity of chief administrative officer or chief financial for their governmental entity as well as school district superintendents, county administrators, and city managers. Chief administrative officials for political subdivisions included in Section 8-13-1110(b) of the SC Code of Laws.

^Only partisan candidates



Law:

Required by S.C. Code § 8-13-1306

Statement of Organization

Includes:

- full name of the committee;
- complete address and telephone number of the committee;
- date the committee was organized;
- summary of the purpose of the committee;
- name and address of entity that sponsors or is affiliated with the committee. If there is none, the committee must specify the trade, profession, or primary interest of contributors to the committee;
- name and address of affiliated committees, as defined in Section 8-13-1331;
- full name, address, telephone number, occupation, and principal place of business of the chairman and treasurer of the committee;
- full name, address, telephone number, occupation, and principal place of business of the custodian of the books and accounts, if the custodian is not one of the designated officers;
- full name and address of the depository in which the committee maintains its campaign account and the number of the account; and
- certification of the statement by the chairman and the treasurer.

The requirements on this slide were enforceable prior to a court finding the definition of “committee” unconstitutional. It would be enforceable again if the General Assembly adopts a constitutional definition of the term in the future.

Law:

Required by S.C. Code § 8-13-1304

Statement of Organization

The requirements on this slide were enforceable prior to a court finding the definition of “committee” unconstitutional. It would be enforceable again if the General Assembly adopts a constitutional definition of the term in the future.

Applies to...	File Statement no later than...
In-state committee that receives or expends more than \$500 in the aggregate during an election cycle to influence the outcome of an elective office	5 days after receiving the contribution, or making the expenditure
Out-of-state committee that expends more than \$500 in the aggregate during an election cycle to influence the outcome of an elective office	5 days after making the expenditure
In-state ballot measure committee that receives more than \$2,500 in the aggregate during an election cycle to influence the outcome of an elective office	5 days after receiving the contribution, or making the expenditure
Out-of-state ballot measure committee that expends more than \$2,500 in the aggregate during an election cycle to influence the outcome of an elective office	5 days after making the expenditure

Filing:

Certified Campaign Reports

Note: The Commission is currently unable to enforce laws that require Committees to file the information on the next slides because in 2010 a federal district court found the definition of “committee” was unconstitutional. *South Carolina Citizens for Life v. Krawcheck*, 759 F. Supp.2d 708 (D.S.C. 2010). However, the Commission has requested a constitutional definition of committee and is working with the Senate Judiciary Committee on proposed language.

Law:

Required by S.C. Code § 8-13-1308;
§ 8-13-1368

The requirements on this slide were enforceable prior to a court finding the definition of “committee” unconstitutional. It would be enforceable again if the General Assembly adopts a constitutional definition of the term in the future.

Certified Campaign Reports

Initial Campaign Report:

- Must be filed within 10 days of receiving or expending an aggregate of \$500

Quarterly Campaign Report:

- Must be filed within 10 days following the end of the calendar quarter

Pre-Election Campaign Report:

- Must be filed 15-20 days before the election and contain activity for the period ending 20 days before the election;

Campaign Report:

- Must be filed “immediately” if committee makes independent expenditures or incurred expenditures within the calendar quarter in which the election is conducted or twenty days before the election if the independent expenditures or incurred expenditures are in excess of (1) \$10,000 in the case of a statewide office; or (2) \$2,000 in the case of any other office.

Law:

Required by S.C. Code § 8-13-1308
§ 8-13-1368

The requirements on this slide were enforceable prior to a court finding the definition of “committee” unconstitutional. It would be enforceable again if the General Assembly adopts a constitutional definition of the term in the future.

Certified Campaign Reports

Final Campaign Report:

- May be filed at any time or before a scheduled filing is due. Must be marked “final” and must include a list of the material assets worth \$100 or more.

All Reports Must Include:

- Total of contributions,
- name and address of each person making a contribution of more than \$100,
- total expenditures,
- name and address of each person to whom an expenditure is made,
- date, amount, purpose, and beneficiary of the expenditure.



Recommended Law Changes

Law Change #1

Current Law: Section 2-17-20 provides the registration and recordkeeping requirements for lobbyists.

Recommendation: Repeal the section below (entire statute on next page) because it is obsolete based on the Commission's electronic filing system, which is available to the public, including members of the General Assembly.

(E) The State Ethics Commission annually must furnish to each chairman of standing and special committees of the General Assembly, each member of the General Assembly, and each statewide constitutional officer a list of all lobbyists registered with that office. The State Ethics Commission must furnish monthly updates to the same persons. These lists must be available to state agency heads upon request.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: None

Law Change #1

Repeal language that is now obsolete due to Commission's online filing system



Law Change #1

Section 2-17-20. Registration of lobbyists; notice of termination of lobbying activities; supplemental registration statements; list of lobbyists; recording keeping requirements; reregistration requirements.

(A) Any person who acts as a lobbyist must, within fifteen days of being employed, appointed, or retained as a lobbyist, register with the State Ethics Commission as provided in this section. Each person registering must pay a fee of one hundred dollars and present to the State Ethics Commission a communication reflecting the authority of the registrant to represent the person by whom he is employed, appointed, or retained. If a partnership, committee, association, corporation, labor organization, or any other organization or group of persons registers as a lobbyist, it must identify each person who will act as a lobbyist on its behalf during the covered period. There is no registration fee for a lobbyist who is a full-time employee of a state agency and limits his lobbying to efforts on behalf of that particular state agency.

(B) The registration must be in a form prescribed by the State Ethics Commission and be limited to and contain:

- (1) the lobbyist's full name and address, telephone number, occupation, name of employer, principal place of business, and position held in that business by the lobbyist;
- (2) an identification of the public office or public body which the lobbyist will engage in lobbying and the subject matter in which the lobbyist will engage in lobbying, including the name of legislation, covered agency actions, or covered gubernatorial actions, if known; and
- (3) certification by the lobbyist that the information contained on the registration statement is true and correct.
- (4) If a lobbyist fails to identify the public office or public body for which he is authorized to engage in lobbying, as required by item (2) of this subsection, then the lobbyist's principal for whom the lobbyist is authorized to engage in lobbying is deemed a lobbyist's principal as to all public offices or public bodies of the State.

(C) Each lobbyist who ceases to engage in lobbying requiring him to register pursuant to the provisions of this section shall file a written statement with the State Ethics Commission acknowledging the termination of lobbying. The written statement of termination is effective immediately, except that the provisions of Sections 2-17-80(A)(5), 2-17-80(B)(5), 2-17-110(C), and 2-17-110(F) continue in force and effect for the remainder of the calendar year in which the lobbyist was registered, regardless of the date of the termination statement filed with the State Ethics Commission. Each lobbyist who files a written statement of termination pursuant to the provisions of this section must file reports required by this chapter for any reporting period during which the lobbyist was registered pursuant to the provisions of this section.

(D) A lobbyist must file a supplemental registration statement indicating any substantial change in the information contained in the prior registration statement within fifteen days after the date of the change.

~~(E) The State Ethics Commission annually must furnish to each chairman of standing and special committees of the General Assembly, each member of the General Assembly, and each statewide constitutional officer a list of all lobbyists registered with that office. The State Ethics Commission must furnish monthly updates to the same persons. These lists must be available to state agency heads upon request.~~

(F) Each lobbyist must maintain for not less than four years records which must be available to the State Ethics Commission for inspection and which must contain:

- (1) the identification of each person from whom income attributable to the lobbyist's lobbying is paid or promised and the amount of such income attributable to the lobbyist's lobbying paid or promised; and
- (2) the total expenditures of the lobbyist for lobbying.

(G) A lobbyist must reregister annually with the State Ethics Commission by January fifth of each year.

(H) The State Ethics Commission shall not allow a lobbyist to register, reregister, or continue to be registered pursuant to this section until the lobbyist complies with the reporting requirements pursuant to Section 2-17-30, and pays all late filing penalties in accordance with Section 2-17-50 and all complaint fines in accordance with Section 8-13-320(10)(1).

Law Change #2

Current Law: Section 2-17-25 provides the registration and recordkeeping requirements for lobbyist's principals.

Recommendation: Repeal the section below (entire statute on next page) because it is obsolete based on the Commission's electronic filing system, which is available to the public, including members of the General Assembly.

(E) The State Ethics Commission annually must furnish to each chairman of standing and special committees of the General Assembly, each member of the General Assembly, and each statewide constitutional officer a list of every lobbyist's principal registered with that office. The State Ethics Commission must furnish monthly updates to the same persons. These lists must be available to state agency heads upon request.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: None

Law Change #2

Repeal language that is now obsolete due to Commission's online filing system



Law Change #2

SECTION 2-17-25. Registration of lobbyist's principal; notice of termination of lobbying authority; supplemental registration statements; list of lobbyist's principal; recording keeping requirements; reregistration requirements.

(A) Any lobbyist's principal must, within fifteen days of employing, appointing, or retaining a lobbyist, register with the State Ethics Commission as provided in this section. Each person registering must pay a fee of one hundred dollars. If a partnership, committee, an association, a corporation, labor organization, or any other organization or group of persons registers as a lobbyist's principal, it must identify each person who will act as a lobbyist on its behalf during the covered period. If the State is a lobbyist's principal, the State is exempt from paying a registration fee and filing a lobbyist's principal registration statement.

(B) The registration must be in a form prescribed by the State Ethics Commission and be limited to and include:

(1) the full name, address, and telephone number of the lobbyist's principal. If the lobbyist's principal is an individual, the lobbyist's principal also shall include his occupation, name of employer, principal place of business, and position of authority held in that business by the lobbyist's principal;

(2) an identification of each person the lobbyist's principal expects to employ, appoint, or retain as a lobbyist;

(3) an identification of the public office or public body which the lobbyist's principal will authorize lobbying and the subject matter in which the lobbyist's principal will authorize lobbying, including the name of legislation, covered agency actions, or covered gubernatorial actions, if known; and

(4) certification by the lobbyist's principal that the information contained on the registration statement is true and correct.

(5) If a lobbyist's principal fails to identify the public office or public body for which he has authorized lobbying as required by item (3) of this subsection, then the lobbyist's principal is deemed a lobbyist's principal as to all public offices or public bodies of the State.

A lobbyist's principal may comply with the requirements of items (1), (2), and (3) above by attaching a copy of the information submitted by any lobbyist employed, retained, or appointed by the lobbyist's principal if the information requested from the lobbyist's principal is the same as the information supplied by the lobbyist pursuant to Section 2-17-20.

(C) Each lobbyist's principal who ceases to authorize lobbying requiring him to register pursuant to this section must file a written statement with the State Ethics Commission acknowledging the termination of lobbying. The written statement of termination is effective immediately, except that the provisions of Sections 2-17-80(A)(5), 2-17-80(B)(5), 2-17-110(C), and 2-17-110(F) continue in force and effect for the remainder of the calendar year in which the lobbyist's principal was registered, regardless of the date of the termination statement filed with the State Ethics Commission. Each lobbyist's principal who files a written statement of termination pursuant to this section shall file reports required by this chapter for any reporting period during which the lobbyist's principal was registered pursuant to this section.

(D) A lobbyist's principal must file a supplemental registration statement indicating any substantial change in the information contained in the prior registration statement within fifteen days after the date of the change.

~~(E) The State Ethics Commission annually must furnish to each chairman of standing and special committees of the General Assembly, each member of the General Assembly, and each statewide constitutional officer a list of every lobbyist's principal registered with that office. The State Ethics Commission must furnish monthly updates to the same persons. These lists must be available to state agency heads upon request.~~

(F) Each lobbyist's principal must maintain for not less than four years records which must be available to the State Ethics Commission for inspection and which must contain:

(1) the identification of each person to whom income attributable to lobbying is paid or promised and the amount of such income attributable to lobbying paid or promised;

(2) the total expenditures of the lobbyist's principal for lobbying; and

(3) in the case of a voluntary membership organization, dues, fees, or other amounts payable to the organization during any calendar year from a member need be recorded only if the contribution to the organization is more than five hundred dollars and more than twenty percent of the total contributions of the organization during that calendar year.

(G) A lobbyist's principal must reregister annually with the State Ethics Commission by January fifth of each year.

(H) The State Ethics Commission shall not allow a lobbyist's principal to register, reregister, or continue to be registered pursuant to this section until the lobbyist's principal complies with the reporting requirements pursuant to Section 2-17-35, and pays all late filing penalties in accordance with Section 2-17-50 and all complaint fines in accordance with Section 8-13-320(10)(1).

Law Change #4

Current Law: Section 8-13-360. Statements and reports filed with commission open for public inspection and copying.

Upon request, the commission shall make statements and reports filed with the commission available for public inspection and copying during regular office hours. The commission shall provide copying facilities at a cost not to exceed the actual cost. A statement may be requested by mail, and the commission shall mail a copy of the requested information to the individual making the request upon payment of appropriate postage, copying costs, and employee labor costs. The commission shall publish and make available to the public and to persons subject to this chapter explanatory information concerning this chapter, the duties imposed by this chapter, and the means for enforcing this chapter.

Recommendation: Repeal obsolete statute in its entirety. The Commission believes the requirements in this section are already met by the existence of the Commission's online filing system, the information required in Section 8-13-350, and/or by the Freedom of Information Act.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: None

Law Change #4

Repeal language that is now obsolete due to Commission's online filing system

Law Change #4

Section 8-13-360. Statements and reports filed with commission open for public inspection and copying.

~~Upon request, the commission shall make statements and reports filed with the commission available for public inspection and copying during regular office hours. The commission shall provide copying facilities at a cost not to exceed the actual cost. A statement may be requested by mail, and the commission shall mail a copy of the requested information to the individual making the request upon payment of appropriate postage, copying costs, and employee labor costs. The commission shall publish and make available to the public and to persons subject to this chapter explanatory information concerning this chapter, the duties imposed by this chapter, and the means for enforcing this chapter.~~

Law Change #5

Current Law: Section 8-13-710 requires public officials, employees, and members who file statements of economic interests (SEI) to report certain gifts.

Recommendation: Modify Section 8-13-710(B), which imposes a monetary threshold of \$25.00 per day and \$200 per year for gift reporting, to harmonize with Section 8-13-1120(A)(9), which lacks a monetary threshold for gift reporting.

A discrepancy exists between Sections 8-13-710(B) and 8-13-1120(A)(9). Section 8-13-710(B) requires SEI filers to report gifts received in their official capacity only if the amount of those gifts exceeds \$25.00 per day and \$200.00 per year. Section 8-13-1120(A)(9) requires these gifts to be reported regardless of their amount. The Commission has addressed this discrepancy in a formal advisory opinion, SEC AO2002-008, which found that Section 8-13-1120(A)(9) “should be the prevailing statute to consider rather than Section 8-13-710(B).”

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: Members of the South Carolina House of Representatives and South Carolina Senate, who may be operating under a different interpretation.

Law Change #5

Modify language to address discrepancies which currently exist in two statutes



Law Change #5

Section 8-13-710. Reporting of particular gifts, received by public employee, official, or member on statement of economic interests.

(A) Unless provided by subsection (B) and in addition to the requirements of Chapter 17 of Title 2, a public official or public employee required to file a statement of economic interests under Section 8-13-1110 who accepts anything of value from a lobbyist's principal must report the value of anything received on his statement of economic interests pursuant to Section 8-13-1120(A)(9).

(B) A public official, public member, or public employee required to file a statement of economic interests under Section 8-13-1110 who receives, accepts, or takes, directly or indirectly, from a person, anything of value ~~worth twenty five dollars or more in a day and anything of value worth two hundred dollars or more in the aggregate in a calendar year~~ must report on his statement of economic interests pursuant to Section 8-13-1120 the thing of value from:

(1) a person, if there is reason to believe the donor would not give the thing of value but for the public official's, public member's, or public employee's office or position;

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

(a) has or is seeking to obtain contractual or other business or financial relationships with the public official's, public member's, or public employee's governmental entity;

(b) conducts operations or activities which are regulated by the public official's, public member's, or public employee's governmental entity.

(C) Nothing in this section requires a public official, public member, or public employee to report a gift from a parent, grandparent, or relative to a child, grandchild, or other immediate family member for love and affection.

Law Change #6

Current Law: Section 8-13-1160. Forwarding copies of statement to State Ethics Commission and filing person's county of residence.

(A) The Senate Ethics Committee and the House of Representatives Ethics Committee must forward a copy of each statement filed with it to the State Ethics Commission within five business days of receipt.

(B) Within five business days of receipt, a copy of all statements of economic interests received by the State Ethics Commission must be forwarded to the clerk of court in the county of residence of the filing official or employee.

Recommendation: Repeal obsolete statute in its entirety based on the Commission's electronic filing system, which is available to the public, including members of the General Assembly and Clerks of Court. Statements of Economic Interests are publicly available immediately upon filing, removing the need for any paper copies to be forwarded.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: House and Senate Ethics Committees, Clerks of Court.

Law Change #6

Repeal language that is now obsolete due to Commission's online filing system



Law Change #7

Current Law: Section 8-13-1300(6)'s definition of "committee" has been found unconstitutional (and therefore unenforceable) by two federal district courts because the definition is too broad.

Recommendation: Modify to conform with constitutional jurisprudence. (see statute wording on next slide)

The current definition has been declared as overly broad because it imposes reporting and other regulatory requirements on all political committees, rather than limiting these requirements to those committees which have as the major purpose, as opposed to a major purpose, the support or opposition of the nomination or election of one or more clearly identified candidates. Without an enforceable definition, various "committees" have been able to participate in South Carolina elections without identifying themselves or their contributors. The suggested revision mirrors North Carolina's definition of "committee," which has been held constitutional by the Fourth Circuit Court of Appeals in *N.C. Right to Life, Inc. v. Leake*, 525 F.3d 274 (4th Cir. 2008).

Status: Presented to, and approved by, Commissioners

Other entities potentially impacted: All potential committees, political parties, House and Senate Ethics Committees.

Law Change #7

Modify language to conform with constitutional jurisprudence



Law Change #7

Section 8-13-1300(6). Definitions

~~(6) "Committee" means an association, a club, an organization, or a group of persons which, to influence the outcome of an elective office, receives contributions or makes expenditures in excess of five hundred dollars in the aggregate during an election cycle. It also means a person who, to influence the outcome of an elective office makes:~~

~~(c) — Contributions aggregating at least twenty five thousand dollars during an election cycle to or at the request of a candidate or a committee, or a combination of them; or~~

~~(d) — Independent expenditures aggregating five hundred dollars or more during an election cycle for the election or defeat of a candidate.~~

~~"Committee" includes a party committee, a legislative caucus committee, a noncandidate committee, or a committee that is not a campaign committee for a candidate but that is organized for the purpose of influencing an election.~~

a combination of two or more individuals, such as any person, association, organization, or other entity that makes, or accepts anything of value to make, contributions or expenditures and has one or more of the following characteristics:

(a) Is controlled by a candidate;

(b) Is a political party or executive committee of a political party or is controlled by a political party or executive committee of a political party; or

(c) Has the major purpose to support or oppose the nomination or election of one or more clearly identified candidates.

Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party.

Law Change #8

Current Law: Section 8-13-1301. Joint candidates for Governor and Lieutenant Governor to be considered a single candidate.

For purposes of this article, candidates elected jointly as provided in Section 8, Article IV of the South Carolina Constitution, 1895, must be considered a single candidate. The gubernatorial candidate is responsible for:

- (1) Establishing a single candidate committee for contributions solicited and received for the Governor and Lieutenant Governor elected jointly; and
- (2) Complying with the requirements of Article 13, Chapter 13, Title 8 for the committee established for the joint election.

Recommendation: Modify to include language as to when a candidate for Governor may declare a running mate/Lieutenant Governor for purposes of campaign fundraising.

- Section 8-13-1314 allows candidates to contribute unlimited personal funds to their own campaigns.
- Section 8-13-1300(4) defines candidate, in part, as anyone exploring whether or not to run for office.
- Therefore, a candidate for Governor could theoretically declare numerous running mates/Lt. Gov. candidates, then allow those candidates for Lt. Gov. to contribute unlimited contributions to their joint campaign.

*Note: The agency does not have a recommendation for specific wording.

Status: Not yet presented to, or approved by, Commissioners

Other Agencies Potentially Impacted: None

Law Change #8

Address potential inadvertent opportunity for Governor to receive unlimited contributions



Law Change #9

Current Law: Section 8-13-1356 sets forth the filing deadlines for certain candidates for public office.

Recommendation: Modify to require candidates who run for non-partisan public offices to file statements of economic interests. (see statute wording on next slide)

Section 8-13-1356 currently does not require candidates for non-partisan public offices to file statements of economic interests. Therefore, large amounts of candidates running for school boards, city councils, and other non-partisan public offices are not filings Statements of Economic Interests as candidates.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: State and local election commissions.

Law Change #9

Modify language to impose same requirement to file statements of economic interest on candidates who run for non-partisan offices

Law Change #9

Section 8-13-1356. Economic interests statements, filing deadlines for particular candidates.

(A) A person who becomes a candidate by filing a statement of intention of candidacy seeking nomination by political party primary or political party convention must electronically file a statement of economic interests for the preceding calendar year pursuant to Section 8-13-365 prior to the close of filing for the particular office.

(B) A person who becomes a candidate by filing a petition for nomination must electronically file a statement of economic interests for the preceding calendar year pursuant to Section 8-13-365 within fifteen days of submitting the petition pursuant to Section 7-11-70 or 7-11-71.

(C) A person who becomes a write-in candidate must electronically file a statement of economic interests for the preceding calendar year within twenty-four hours of filing an initial campaign finance report pursuant to Section 8-13-1308(A) or before taking the oath of office, whichever occurs earlier.

(D) A candidate who is not a public official otherwise filing a statement has the same disclosure requirements as a public official with the exception of reporting gifts.

(E) The appropriate supervisory office shall assess a civil penalty pursuant to Section 8-13-1510 against a candidate who fails to timely file a statement of economic interests as required by this section.

(F) A person who becomes a candidate by filing a non-partisan statement of intention of candidacy must electronically file a statement of economic interests for the preceding calendar year pursuant to Section 8-13-365 prior to the close of filing for the particular office.

Law Change #10

Current Law: Section 8-13-1364. Sending of notice of obligation to report and forms.

The appropriate supervisory office must send a notice of obligation to report and reporting forms by first-class mail no less than thirty days before the filing date for each reporting period. A candidate or committee is not relieved of reporting responsibilities if the notice or forms are not sent or if the candidate or committee does not receive a notice or forms.

Recommendation: Repeal or modify to allow electronic mailing. The Commission no longer sends notification of reporting requirements or paper forms to filers. Rather, each candidate in the Commission's electronic filing system is sent electronic notification using the email address provided by the filer.

*Note: The agency does not have a recommendation for specific wording.

Status: Not yet presented to, or approved by, Commissioners

Other Agencies Potentially Impacted: Senate Ethics Committee and House of Representatives Ethics Committee.

Law Change #10

Update requirements to match current technology capabilities and agency operations

Law Change #11

Current Law: Section 8-13-1366 Public availability of certified campaign reports.

Certified campaign reports must be made available for public inspection at the office of the State Ethics Commission, the Senate Ethics Committee, the House of Representatives Ethics Committee, and the county clerk of court within two business days of receipt. The commission, ethics committees, and county clerks of court shall not require any information or identification as a condition of viewing a report or reports. The commission, ethics committees, and the county clerks of court must ensure that the reports are available for copying or purchase at a reasonable cost.

Recommendation: Repeal obsolete statute in its entirety. All Commission filings are made available to the public free of charge by visiting <https://apps.sc.gov/PublicReporting/Index.aspx>.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: House and Senate Ethics Committees and County Clerks of Court.

Law Change #11

Repeal language that is now obsolete due to availability of information online

Law Change #11

Section 8-13-1366. Public availability of certified campaign reports.

~~Certified campaign reports must be made available for public inspection at the office of the State Ethics Commission, the Senate Ethics Committee, the House of Representatives Ethics Committee, and the county clerk of court within two business days of receipt. The commission, ethics committees, and county clerks of court shall not require any information or identification as a condition of viewing a report or reports. The commission, ethics committees, and the county clerks of court must ensure that the reports are available for copying or purchase at a reasonable cost.~~

Law Change #12

Current Law: No current law is applicable.

Recommendation: Include a requirement that filers of Statements of Economic Interests and Campaign Disclosure update their contact information within the Commission's electronic filing system within fifteen (15) days of any substantial change.

The Commission routinely uses the contact information provided by individual filers at the time of registration and/or filing to communicate with these individuals. The Commission frequently faces situations where filers claim lack of notice of filing requirements, complaints, and other Commission communications, despite the Commission's utilization of the provided contact information. Requiring filers to maintain current contact information would assist the Commission in maintaining open lines of communication with these individuals. (The lobbying laws, 2-17-20(D) and 2-17-25(D), already have such a requirement).

*Note: The agency does not have a recommendation for specific wording.

Status: Not yet presented to, or approved by, Commissioners

Other entities potentially impacted: None

Law Change #12

Enact new law to improve efficiency in ensuring compliance with individuals required to file information with the Commission



COMMITTEE CONTACT INFORMATION AND UPCOMING MEETINGS

Legislative Oversight Committee



South Carolina House of Representatives

Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228

UPCOMING MEETINGS

Executive Subcommittee

Tuesday, August 17
Room 321
10:00 a.m.

END NOTES

¹ Visual Summary Figure 2 is compiled from information in the State Ethics Commission study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “Ethics Commission, State”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/EthicsCommission.php> (accessed April 22, 2021).