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Senate Bill 147 Executive Summary

- Remove subjectivity from process of assessing civil penalties for late filing of financial disclosure statements by: 1) lowering the maximum amount of penalties; 2) declaring a statement not timely filed after 45 days late and assessing a flat penalty of \$2,000; and 3) repealing the Commission's authority to reduce penalties. The Commission would retain the authority to waive penalties for good cause.
- Require city clerks, county clerks, and representatives of the executive and legislative branch to provide annual lists of public officers to the Commission in electronic format to assist in better enforcement of the requirement to file financial disclosure statements.
- Allow the Commission to provide compliance training on ethics in government law at low or no cost to state, county, and city governments.
- Extend statutory timeframes for third party (ethics) complaints to give public officers more time to respond against complaints filed against them and to provide the Commission with more time to fully investigate complaints.
- Remove sections of statute that have been deemed facially invalid and unenforceable by the U.S. District Court.

Senate Bill 147 has no fiscal impact on state or local government.
Senate Bill 147 is effective upon passage and approval.

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ASSEMBLY ELECTIONS, PROCEDURES, & ETHICS
DATE: 5-8-03 ROOM: 3138 EXHIBIT E
SUBMITTED BY: Stacy Jennings

Senate Bill 147 Section-by-Section Detail

Section 1: Provides information to update and maintain databases for public officers and candidates for public office, for the purpose of enforcing statutory requirements to file a financial disclosure statement. Adds a new section which requires electronic submission of public officer lists annually by December 1 to the NCOE by city clerks, county clerks, the budget director (for the executive branch), and the director of the Legislative Counsel Bureau (for the legislative branch). Adds a similar requirement for candidates for public office required to file financial disclosure statements. The candidate lists would need to be supplied electronically to the NCOE not later than 10 days after the filing deadline for public office. The electronic format for both submissions would need to be in a format specified by the NCOE.

Section 2: Technical change to include Section 1 in the ethics in government law, NRS 281.411 through 281.581.

Section 3: NRS 281.4635(1)(e) requires the Commission to collect costs associated with ethics in government training conducted by the Executive Director. The change would allow the flexibility to provide training at low or no cost, by changing shall to may.

Section 4: Deletes language regarding extension of statutory timeframes for third-party opinion requests consistent with changes in section 7 of the bill. Provides that the failure of a public officer to comply with a written request for records shall be deemed a waiver of the timeframes set forth for processing third-party opinion requests.

Section 5: Nevada District Court found the existing phrase "any other person" unconstitutionally vague, rendering it virtually unenforceable. The term "other person" needs to be more specific. Thus, the requirement in NRS 281.481(2) should be applicable to a public officer or employee using his position to benefit himself or any person to whom he has a commitment in a private capacity, as defined in NRS 281.501.

Section 6: Deletes a provision of statute which the LCB bill drafter advised was duplicative of provisions under NRS 281.501(3).

Section 8: Requires first-party and third-party opinion requests to be submitted on a form prescribed by the Commission. Deletes language which requires persons submitting a third-party opinion request (ethics complaint) to sign a statement which affirms the information submitted is true and it is not submitted with a vexatious purpose. This language was declared unconstitutional on its face and its enforcement was permanently enjoined by the U.S. District Court. Extends statutory timeframes for third-party opinion requests (ethics complaints) to give public officers more time to respond to complaints filed against them, and to provide the Commission with more time to fully investigate complaints. Allows public officer to waive statutory timeframes set forth for investigations. See Attachment A for a flow chart describing the process and timeframes for third-party complaints.

Activity	Statutory Timeframe	CY 2001 & 2002 Processing Time
Investigation	15 days	n/a
Public Officer Response	10 days (per NAC)	n/a, generally extended by request
Panel hearing	30 days	54.3 days
Commission hearing	60 days	119 days

Section 8: Deletes language which allowed the Commission to assess a civil penalty of up to \$5,000 for a person who submits a third-party opinion request in bad faith or with a vexatious purpose, and language which guided the Commission in making a determination as to bad faith or vexatious purpose. This language was declared unconstitutional on its face and its enforcement was permanently enjoined by the U.S. District Court.

Section 9: Technical change to clarify that counties with a registrar of voters are required to keep financial disclosure statements on file for 6 years after the date of filing.

Section 10: Technical change to clarify that counties with a registrar of voters must provide candidates for public office with a copy of the financial disclosure statement form.

Section 11: Defines and applies a 'willfull' standard to the failure to timely file a financial disclosure statement for the purposes of assessment of a civil penalty, and clarifies that willfully failing to file a statement also subjects a public officer or a candidate for public office to a civil penalty. Changes the civil penalties for late filing of a financial disclosure statement as follows:

Current	Proposed
1 – 7 days late = \$25 per day	No more than 10 days late = \$25
8 – 15 days late = \$175, plus \$50 per day	11 – 20 days late = \$50
16 + days late = \$575, plus \$100 per day	21 – 30 days late = \$100
	31 – 45 days late = \$250
	46 + days late = Deemed a non-filer, \$2,000

Removes the ability of the Commission to reduce fines, but retains the ability to waive the fine for good cause shown.

Section 12: Repeals NRS 281.437 and NRS 281.525. This language was declared unconstitutional on its face and its enforcement was permanently enjoined by the U.S. District Court.

Section 13: Provides that the bill is effective upon passage and approval.

