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HOUSE BILL NO. 1528

Offered January 9, 2020

A *BILL to amend and reenact § 2.2-3115 of the Code of Virginia, relating to State and Local Government Conflict of Interests Act; disclosure by executive directors and members of industrial development authorities and economic development authorities; penalty.*

Patron—Webert

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-3115 of the Code of Virginia is amended and reenacted as follows:****§ 2.2-3115. Disclosure by local government officers and employees.**

A. In accordance with the requirements set forth in § 2.2-3118.2, the members of every governing body and school board of each county and city and of towns with populations in excess of 3,500 *and the executive director and members of each industrial development authority and economic development authority, as created by the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.),* shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1.

In accordance with the requirements set forth in § 2.2-3118.2, the members of the governing body of any authority established in any county or city, or part or combination thereof, and having the power to issue bonds or expend funds in excess of \$10,000 in any fiscal year, *other than the executive director and members of each industrial development authority and economic development authority, as created by the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.),* shall file, as a condition to assuming office, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1, unless the governing body of the jurisdiction that appoints the members requires that the members file the form set forth in § 2.2-3117.

In accordance with the requirements set forth in § 2.2-3118.2, persons occupying such positions of trust appointed by governing bodies and persons occupying such positions of employment with governing bodies as may be designated to file by ordinance of the governing body shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1.

In accordance with the requirements set forth in § 2.2-3118.2, persons occupying such positions of trust appointed by school boards and persons occupying such positions of employment with school boards as may be designated to file by an adopted policy of the school board shall file, as a condition to assuming office or employment, a disclosure statement of their personal interests and other information as is required on the form prescribed by the Council pursuant to § 2.2-3117 and thereafter shall file such a statement annually on or before February 1.

B. In accordance with the requirements set forth in § 2.2-3118.2, nonsalaried citizen members of local boards, commissions and councils as may be designated by the governing body shall file, as a condition to assuming office, a disclosure form of their personal interests and such other information as is required on the form prescribed by the Council pursuant to § 2.2-3118 and thereafter shall file such form annually on or before February 1.

C. No person shall be mandated to file any disclosure not otherwise required by this article.

D. The disclosure forms required by subsections A and B shall be made available by the Virginia Conflict of Interest and Ethics Advisory Council at least 30 days prior to the filing deadline, and the clerks of the governing body and school board shall distribute the forms to designated individuals at least 20 days prior to the filing deadline. Forms shall be filed and maintained as public records for five years in the office of the clerk of the respective governing body or school board. Forms filed by members of governing bodies of authorities shall be filed and maintained as public records for five years in the office of the clerk of the governing body of the county or city. Such forms shall be made public no later than six weeks after the filing deadline.

E. Candidates for membership in the governing body or school board of any county, city or town with a population of more than 3,500 persons shall file a disclosure statement of their personal interests as required by § 24.2-502.

F. Any officer or employee of local government who has a personal interest in any transaction before

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59 the governmental or advisory agency of which he is an officer or employee and who is disqualified
60 from participating in that transaction pursuant to subsection A of § 2.2-3112 or otherwise elects to
61 disqualify himself, shall forthwith make disclosure of the existence of his interest, including the full
62 name and address of the business and the address or parcel number for the real estate if the interest
63 involves a business or real estate, and his disclosure shall be reflected in the public records of the
64 agency for five years in the office of the administrative head of the officer's or employee's governmental
65 or advisory agency.

66 G. In addition to any disclosure required by subsections A and B, in each county and city and in
67 towns with populations in excess of 3,500, members of planning commissions, boards of zoning appeals,
68 real estate assessors, and all county, city and town managers or executive officers shall make annual
69 disclosures of all their interests in real estate located in the county, city or town in which they are
70 elected, appointed, or employed. Such disclosure shall include any business in which such persons own
71 an interest, or from which income is received, if the primary purpose of the business is to own, develop
72 or derive compensation through the sale, exchange or development of real estate in the county, city or
73 town. In accordance with the requirements set forth in § 2.2-3118.2, such disclosure shall be filed as a
74 condition to assuming office or employment, and thereafter shall be filed annually with the clerk of the
75 governing body of such county, city, or town on or before February 1. Such disclosures shall be filed
76 and maintained as public records for five years. Such forms shall be made public no later than six
77 weeks after the filing deadline. Forms for the filing of such reports shall be made available by the
78 Virginia Conflict of Interest and Ethics Advisory Council to the clerk of each governing body.

79 H. An officer or employee of local government who is required to declare his interest pursuant to
80 subdivision B 1 of § 2.2-3112 shall declare his interest by stating (i) the transaction involved, (ii) the
81 nature of the officer's or employee's personal interest affected by the transaction, (iii) that he is a
82 member of a business, profession, occupation, or group the members of which are affected by the
83 transaction, and (iv) that he is able to participate in the transaction fairly, objectively, and in the public
84 interest. The officer or employee shall either make his declaration orally to be recorded in written
85 minutes for his agency or file a signed written declaration with the clerk or administrative head of his
86 governmental or advisory agency, as appropriate, who shall, in either case, retain and make available for
87 public inspection such declaration for a period of five years from the date of recording or receipt. If
88 reasonable time is not available to comply with the provisions of this subsection prior to participation in
89 the transaction, the officer or employee shall prepare and file the required declaration by the end of the
90 next business day. The officer or employee shall also orally disclose the existence of the interest during
91 each meeting of the governmental or advisory agency at which the transaction is discussed and such
92 disclosure shall be recorded in the minutes of the meeting.

93 I. An officer or employee of local government who is required to declare his interest pursuant to
94 subdivision B 2 of § 2.2-3112, shall declare his interest by stating (i) the transaction involved, (ii) that a
95 party to the transaction is a client of his firm, (iii) that he does not personally represent or provide
96 services to the client, and (iv) that he is able to participate in the transaction fairly, objectively, and in
97 the public interest. The officer or employee shall either make his declaration orally to be recorded in
98 written minutes for his agency or file a signed written declaration with the clerk or administrative head
99 of his governmental or advisory agency, as appropriate, who shall, in either case, retain and make
100 available for public inspection such declaration for a period of five years from the date of recording or
101 receipt. If reasonable time is not available to comply with the provisions of this subsection prior to
102 participation in the transaction, the officer or employee shall prepare and file the required declaration by
103 the end of the next business day.

104 J. The clerk of the governing body or school board that releases any form to the public pursuant to
105 this section shall redact from the form any residential address, personal telephone number, or signature
106 contained on such form; however, any form filed pursuant to subsection G shall not have any residential
107 addresses redacted.

108 **2. That the provisions of this act may result in a net increase in periods of imprisonment or**
109 **commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the**
110 **necessary appropriation is \$0 for periods of imprisonment in state adult correctional facilities and**
111 **\$0 for periods of commitment to the custody of the Department of Juvenile Justice.**

112 **3. That an executive director or member of an industrial development authority or economic**
113 **development authority holding office on July 1, 2020, shall file the disclosure form required by**
114 **§ 2.2-3115 of the Code of Virginia, as amended by this act, no later than August 1, 2020, for the**
115 **preceding 12-month period complete through the last day of June.**