

# **WEST VIRGINIA LEGISLATURE**

## **2020 REGULAR SESSION**

**Introduced**

### **Senate Bill 601**

BY SENATORS PREZIOSO, BALDWIN, IHLENFELD,  
JEFFRIES, LINDSAY, PALUMBO, ROMANO, STOLLINGS,  
WOELFEL, AND BEACH

[Introduced January 23, 2020; referred  
to the Committee on the Judiciary]

1 A BILL to amend and reenact §6B-2-7 of the Code of West Virginia, 1931, as amended, relating  
 2 to the contents of financial disclosures under the West Virginia Governmental Ethics Act;  
 3 requiring disclosure of mineral, timber, oil, or any other natural resource leases; requiring  
 4 disclosure of the formation or maintenance of a close economic association involving a  
 5 substantial financial matter; and requiring the disclosure of certain information when public  
 6 official is married or who is the public official’s domestic partner.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 2. WEST VIRGINIA ETHICS COMMISSION; POWERS AND DUTIES;  
 DISCLOSURE OF FINANCIAL INTEREST BY PUBLIC OFFICIALS AND  
 EMPLOYEES; APPEARANCES BEFORE PUBLIC AGENCIES; CODE OF  
 CONDUCT FOR ADMINISTRATIVE LAW JUDGES.**

**§6B-2-7. Financial disclosure statement; contents.**

1 (a) The financial disclosure statement required under this article shall contain the following  
 2 information:

3 (1) The name, residential and business addresses of the person filing the statement and  
 4 of his or her spouse and all names under which the person or the person’s spouse, or both, do  
 5 business. For purposes of this section, the word “spouse” means any individual who is legally  
 6 married to and cohabits with the person filing the statement.

7 (2) For each position of employment held by the person filing the statements and the  
 8 person’s spouse:

9 (A) The name of the employer;

10 (B) The address of the employer;

11 (C) The job title; and

12 (D) A general description of job duties.

13 (3) The name and address of each business in which the person filing the statement or

14 that person's spouse has or had in the last year an interest of at least \$10,000 at fair market value.

15 (A) For the purposes of this subsection, business interests include, but are not limited to,  
16 an interest in:

17 (i) Nonpublicly owned businesses;

18 (ii) Publicly or privately traded stocks, bonds or securities, including those held in self-  
19 directed retirement accounts; and

20 (iii) Commercial real estate.

21 (B) For the purposes of this subsection, business interests do not include mutual funds,  
22 specific holdings in mutual funds or retirement accounts.

23 (4) The name, address, and brief description of a nonprofit organization in which the  
24 individual or spouse is a director or officer.

25 (5) The identification, by category, of every source of income over \$1,000, including  
26 distributions from retirement accounts received during the preceding calendar year, in his or her  
27 own name or by any other person for his or her use or benefit, by the person filing the statement,  
28 or that person's spouse, and a brief description of the nature of the income producing activities  
29 for which the income was received. This subdivision does not require a person filing the statement  
30 who derives income from a business, profession or occupation, or ~~who's~~ whose spouse derives  
31 income from a business, profession or occupation, to disclose the individual sources and items of  
32 income that constitute the gross income of that business, profession or occupation.

33 (6) If the person filing the statement, or that person's spouse, profited or benefitted in the  
34 year before the date of filing from a contract for the sale of goods or services to a state, county,  
35 municipal or other local governmental agency either directly or through a partnership, corporation  
36 or association in which the person, or that person's spouse, owned or controlled more than ten  
37 percent, the person shall describe the nature of the goods or services and identify the  
38 governmental agencies which purchased the goods or services.

39 (7) Each interest group or category listed below doing business in this state with which the

40 person filing the statement, did business or furnished services and from which the person filing  
41 the statement, or that person's spouse, received more than 20 percent of his or her gross income  
42 during the preceding calendar year. The groups or categories are electric utilities, gas utilities,  
43 telephone utilities, water utilities, cable television companies, interstate transportation companies,  
44 intrastate transportation companies, oil or gas retail, wholesale, exploration, production or drilling  
45 companies, banks, savings and loan associations, loan or finance companies, manufacturing  
46 companies, surface mining companies, deep mining companies, mining equipment companies,  
47 chemical companies, insurance companies, retail companies, beer, wine or liquor companies or  
48 distributors, recreation related companies, timbering companies, hospitals or other health care  
49 providers, trade associations, professional associations, associations of public employees or  
50 public officials, counties, cities or towns, labor organizations, waste disposal companies,  
51 wholesale companies, groups or associations promoting gaming or lotteries, advertising  
52 companies, media companies, race tracks, promotional companies, lobbying, economic  
53 development entities, state government, construction, information technology and legal service  
54 providers.

55 (8) The names of all persons, excluding that person's immediate family, parents or  
56 grandparents residing or transacting business in the state to whom the person filing the statement,  
57 owes, on the date of execution of this statement in the aggregate in his or her own name or in the  
58 name of any other person more than \$5,000: *Provided*, That nothing herein requires the  
59 disclosure of a mortgage on the person's primary and secondary residences or of automobile  
60 loans on automobiles maintained for the use of the person's immediate family, or of a student  
61 loan, nor does this section require the disclosure of debts which result from the ordinary conduct  
62 of the person's business, profession or occupation or of debts of the person filing the statement  
63 to any financial institution, credit card company or business, in which the person has an ownership  
64 interest: *Provided, however*, That the previous proviso does not exclude from disclosure loans  
65 obtained pursuant to the linked deposit program provided in article one-a, chapter 12 of this code

66 or any other loan or debt incurred which requires approval of the state or any of its political  
67 subdivisions.

68 (9) A list of all mineral, timber, oil, or any other natural resource lease held, or lease offer  
69 made, during the preceding calendar year by the person filing the statement, the person's spouse  
70 or domestic partner, or the person's dependent child, a partnership, limited liability company, or  
71 professional corporation in which the person is a member, or a corporation in which the person  
72 or the person's spouse, domestic partner, or dependent child, or a combination of those, holds a  
73 controlling interest.

74 ~~(9)~~ (10) The names of all persons except immediate family members, parents and  
75 grandparents residing or transacting business in the state (other than a demand or savings  
76 account in a bank, savings and loan association, credit union or building and loan association or  
77 other similar depository) who owes on the date of execution of this statement more than, in the  
78 aggregate, \$5,000 to the person filing the statement, either in his or her own name or to any other  
79 person for his or her use or benefit. This subdivision does not require the disclosure of debts owed  
80 to the person filing the statement which debts result from the ordinary conduct of the person's  
81 business, profession or occupation or of loans made by the person filing the statement to any  
82 business in which the person has an ownership interest.

83 ~~(10)~~ (11) The source of each gift, including those described in subdivision (2), subsection  
84 (c), section five of this article, having a value of over \$100, received from a person having a direct  
85 and immediate interest in a governmental activity over which the person filing the statement has  
86 control, shall be reported by the person filing the statement when the gift is given to that person  
87 in his or her name or for his or her use or benefit during the preceding calendar year: *Provided,*  
88 That any person filing a statement required to be filed pursuant to this section is not required to  
89 report those gifts described in subdivision (2), subsection (c), section five of this article that are  
90 otherwise required to be reported by a registered lobbyist under section four, article three of this  
91 chapter: *Provided, however,* That gifts received by will or by virtue of the laws of descent and

92 distribution, or received from one's spouse, child, grandchild, parents or grandparents, or received  
93 by way of distribution from an inter vivos or testamentary trust established by the spouse or child,  
94 grandchild or by an ancestor of the person filing the statement are not required to be reported. As  
95 used in this subdivision, any series or plurality of gifts which exceeds in the aggregate the sum of  
96 \$100 from the same source or donor, either directly or indirectly, and in the same calendar year  
97 are regarded as a single gift in excess of that aggregate amount.

98 ~~(11)~~ (12) The name of each for-profit business of which the person filing the statement, or  
99 that person's spouse, serves as a member of the board of directors or an officer, as well as a  
100 general description of the type of business.

101 ~~(12)~~ (13) The name and business address of any child or step-child who is 18 years or  
102 older and employed by state, county or municipal government.

103 ~~(13)~~ (14) The signature of the person filing the statement.

104 (b) In addition to the requirements of subsection (a) of this section, each statement filed  
105 under this article, other than the chair or a member of a state commission or board, shall include  
106 a disclosure of the formation or maintenance of a close economic association involving a  
107 substantial financial matter as required by this section. The disclosure shall be sufficiently detailed  
108 so that a reader can ascertain the nature of the association. A public official shall disclose a close  
109 economic association with a:

110 (1) Legislator;

111 (2) Public official who is not an elected or appointed municipal officer;

112 (3) Lobbyist; or

113 (4) Public employee if the person required to make the disclosure is the Governor.

114 (c) If a public official required to disclose a close economic association under subsection  
115 (b) of this section forms a close economic association after the date on which the public official  
116 files the financial disclosure statement required by (a) of this section, disclosure of the association  
117 shall be made to the commission within 60 days after the formation of the association.

118 (d) When making a disclosure under subsection (b) of this section concerning a  
119 relationship with a lobbyist to whom the public official is married or who is the public official's  
120 domestic partner, the public official shall also disclose the name and address of each employer  
121 of the lobbyist and the total monetary value received from the lobbyist's employer. The public  
122 official shall report changes in the employers of the spouse or domestic partner within 48 hours  
123 after the change. In this subsection, "employer of the lobbyist" means the person from whom the  
124 lobbyist received money, or goods or services having a monetary value, for engaging in lobbying  
125 on behalf of the person.

126 ~~(b)~~ (e) Notwithstanding the provisions of subsection (a) of this section, any person serving  
127 on a board, commission or agency for which no compensation, other than expense  
128 reimbursement, is statutorily authorized, is not required to disclose the financial information  
129 relating to his or her spouse as required by subdivisions three or five of subsection (a) of this  
130 section if:

131 (1) His or her spouse, or a business with which he or she is associated, are not regulated  
132 by, do not have a contract with, or do not receive any grants or appropriations from, the board,  
133 the commission or agency on which the person filing the statement serves. A business with which  
134 a filer's spouse is associated means a business in which the person or an immediate family  
135 member is a director, officer, owner, employee, compensated agent, or holder of stock which  
136 constitutes five percent or more of the total outstanding stocks of any class; and

137 (2) The filer executes a signed statement on a form provided by the commission verifying  
138 these facts.

139 (f) In this section,

140 "Close economic association" means a financial relationship that exists between a public  
141 official required to disclose a close economic association under subsection (b) of this section and  
142 some other person or entity, including a relationship where the public official serves as a  
143 consultant or advisor to, is a member or representative of, or has a financial interest in an

144 association, partnership, limited liability company, business, or corporation; and

145 “Lobbyist” has the meaning given in §6B-3-1 et seq. of this code.

NOTE: The purpose of this bill is to add reporting requirements to the financial disclosures required by the West Virginia Governmental Ethics Act.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.