SENATE BILL 140

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO ETHICS; ENACTING THE STATE ETHICS COMMISSION ACT;
CREATING THE STATE ETHICS COMMISSION; PROVIDING POWERS AND
DUTIES; ALLOWING ANNUAL ETHICS TRAINING AND THE PUBLICATION OF
ETHICS GUIDES; REQUIRING THE DEVELOPMENT OF A PROPOSED ETHICS
CODE FOR THE EXECUTIVE BRANCH; GRANTING SUBPOENA POWER THROUGH
THE ATTORNEY GENERAL; ALLOWING ISSUANCE OF ADVISORY OPINIONS
RELATED TO CERTAIN ETHICS VIOLATIONS; PROVIDING FOR THE FILING
OF COMPLAINTS AGAINST STATE OFFICIALS, STATE EMPLOYEES,
GOVERNMENT CONTRACTORS AND LOBBYISTS FOR CERTAIN ETHICS
VIOLATIONS; ESTABLISHING INVESTIGATIONS OF COMPLAINTS FOR
CERTAIN ETHICS VIOLATIONS; PROVIDING PENALTIES; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the

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"State Ethics Commission Act".

Section 2. DEFINITIONS. -- As used in the State Ethics Commission Act:

- "commission" means the state ethics commission;
- В. "commissioner" means a person appointed to the state ethics commission;
- "ethics violation" means any action that amounts to a violation of the Gift Act, the Governmental Conduct Act, the Procurement Code, the Lobbyist Regulation Act, the Financial Disclosure Act or Chapter 1, Article 19 NMSA 1978;
- "government contractor" means a person who has a contract with a state agency pursuant to the Procurement Code. "Government contractor" also includes any person who has submitted a competitive sealed proposal or competitive sealed bid for a contract with a state agency;
- "legislative body" means the house of Ε. representatives or the senate;
 - "lobbying" means attempting to influence:
- (1) a decision related to any matter to be considered or being considered by the legislative branch of state government or any legislative committee or to any legislative matter requiring action by the governor or awaiting action by the governor; or
 - (2) an official action;
- "lobbyist" means a person who is compensated for .173678.2SA

the specific purpose of lobbying; who is designated by an interest group or organization to represent it on a substantial or regular basis for the purpose of lobbying; or who, in the course of the person's employment, is engaged in lobbying on a substantial or regular basis. "Lobbyist" does not include:

- (1) a person who appears on the person's own behalf in connection with legislation or an official action;
- (2) an elected or appointed officer of the state, a political subdivision of the state or an Indian nation, tribe or pueblo who is acting in the officer's official capacity;
- (3) an employee of the state or a political subdivision of the state, specifically designated by an elected or appointed officer, who appears before a legislative committee or in a rulemaking proceeding only to explain the effect of legislation or a rule on that employee's agency or political subdivision; provided that the elected or appointed officer keeps the designation for public inspection and files it with the secretary of state;
- (4) a designated member of the staff of an elected state official; provided that the elected state official keeps the designation for public inspection and files it with the secretary of state;
 - (5) a legislator or legislative staff member;
 - (6) a witness called by a legislative

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committee or administrative agency to appear before it in connection with legislation or an official action;

- a person who provides only oral or written public testimony in connection with a legislative committee or in a rulemaking proceeding and whose name and the interest on behalf of which the person testifies have been clearly and publicly identified; or
- (8) a publisher, owner or employee of the print media, radio or television, while gathering or disseminating news or editorial comment to the general public in the ordinary course of business;
- "official action" means an action or nonaction of a state official or state agency, board or commission acting in a rulemaking proceeding;
- "respondent" means a state official, state employee, government contractor or lobbyist who is the subject of a complaint filed with the commission;
- "state agency" means any department, commission, council, board, committee, institution, agency, government corporation, educational institution or official of the executive, legislative or judicial branch of government of the state;
- Κ. "state employee" means an employee of the executive, legislative or judicial branch of the state; and
- "state official" means a person elected or .173678.2SA

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appointed to an office of	the executive, judicial or
legislative branch of the	state.

- Section 3. STATE ETHICS COMMISSION CREATED--MEMBERSHIP-TERMS--REMOVAL.--
- A. The "state ethics commission" is created as an adjunct agency. The commission consists of the following ten commissioners:
- (1) four commissioners appointed by the governor, no more than two of whom shall be of the same political party and at least one of whom shall be appointed from each congressional district;
- (2) one commissioner appointed by the president pro tempore of the senate;
- (3) one commissioner appointed by the minority floor leader of the senate;
- (4) one commissioner appointed by the speaker of the house of representatives;
- (5) one commissioner appointed by the minority floor leader of the house of representatives; and
- (6) two commissioners appointed by the chief justice of the supreme court, who shall not be of the same political party and shall not be appointed from the same congressional district.
- B. Appointments shall be made in a manner that meets the following requirements:

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- (1) all commissioners shall be residents of New Mexico:
- (2) no more than five commissioners shall be registered members of the same political party and no person whose party registration changed in the year prior to appointment shall be appointed to the commission; and
- (3) the appointing authorities shall give due consideration to achieving geographical representation from across the state.
- c. Commissioners shall be appointed for staggered terms of four years. Upon initial appointment of the commission, the commissioners shall draw lots to determine which three commissioners will serve an initial term of two years, which three commissioners will serve an initial term of three years and which four commissioners will serve an initial term of four years; thereafter, all commissioners will serve four-year terms. A person shall not serve as a commissioner for more than two consecutive terms.
- D. The commission shall select a chair, vice chair and other officers it deems necessary.
- E. Six commissioners constitute a quorum for the transaction of business. No action may be taken by the commission unless at least six members concur.
- F. A vacancy on the commission shall be filled by appointment of the appointing authority for that commissioner's .173678.2SA

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position for the remainder of the unexpired term. A commissioner may only be removed for incompetence, neglect of duty or malfeasance in office. A proceeding for the removal of a commissioner may be commenced by the commission or by the attorney general upon the request of the commission. supreme court of the state of New Mexico has exclusive jurisdiction over proceedings to remove commissioners, and its decision shall be final. A commissioner shall be given notice of hearing and an opportunity to be heard before the commissioner is removed.

- During a commissioner's service, a commissioner shall not:
- hold or seek an elective public office, an appointed public position or an office in a political party; or
- (2) be a state employee, government contractor or lobbyist.
- Commissioners shall disqualify themselves from a commission proceeding that involves the appointing authority who appointed the commissioner to the commission or when a commissioner has a conflict of interest. Commissioners who disqualify themselves shall state the reason for the disqualification. If the propriety of a commissioner's participation in a particular matter is questioned due to a conflict of interest, the commission may disqualify that commissioner from participation in a commission proceeding. A

disqualified commissioner shall not participate in any proceedings with reference to the matter from which the commissioner is disqualified, and the commissioner shall be excused from that portion of any meeting at which the matter is discussed. If four or more commissioners are disqualified from participating in a proceeding, the remaining commissioners shall appoint temporary commissioners to participate in that proceeding. Appointments of temporary commissioners shall be made by majority vote of the remaining commissioners and in accordance with the geographical representation and political party membership requirements of Subsections A and B of this section.

- I. For a period of one calendar year following the expiration of a commissioner's term or following the resignation or removal of the commissioner, the commissioner shall not:
- (1) hold or seek an elective public office, an appointed public position or public employment;
- (2) represent a respondent, unless appearing on the commissioner's own behalf; or
- (3) accept employment or otherwise provide services to a person or entity that is a respondent, unless the commissioner accepted employment or provided services to the person or entity prior to the filing of a complaint against the person or entity.

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J. Commissioners are entitled to receive per diem and mileage as provided in the Per Diem and Mileage Act and shall receive no other compensation, perquisite or allowance.

The commission shall meet as necessary to carry out its duties pursuant to the State Ethics Commission Act.

Section 4. COMMISSION--POWERS--DUTIES.--

The commission shall:

- receive and investigate complaints (1) alleging ethics violations against state officials, state employees, government contractors and lobbyists;
- report findings of probable cause that a respondent's conduct constituted an ethics violation to the respondent's appointing authority, employer, appropriate state agency or appropriate legislative body;
- compile, maintain and provide public (3) access to an index of all advisory opinions, complaints and reports required to be made public pursuant to the State Ethics Commission Act:
- draft a proposed code of ethics for all state officials and state employees of the executive branch and submit the proposed code to each elected state official of the executive branch for adoption;
- develop, adopt and promulgate all (5) procedural rules necessary to implement and administer the provisions of the State Ethics Commission Act, including rules .173678.2SA

of procedure for investigations conducted by the commission;

- (6) employ an executive director;
- (7) submit an annual report of its activities, including any recommendations regarding state ethics laws or the scope of its powers and duties, in December of each year to the governor, the legislature and the chief justice of the supreme court; and
- (8) promulgate rules for the recusal of members to avoid the appearance of impropriety and conflicts of interest.

B. The commission may:

- (1) initiate complaints alleging ethics violations against state officials, state employees, government contractors and lobbyists;
- (2) issue public reprimands or censures or recommend disciplinary actions in accordance with the provisions of the State Ethics Commission Act for ethics violations committed by state officials of the executive branch and state employees;
- (3) pursuant to governing court rules and the State Ethics Commission Act, request that the attorney general issue subpoenas as necessary to require the attendance of witnesses and the production of accounts, books, papers, records and other documents relevant to an investigation conducted by the commission;

	(4) issue advisory opinions to state
offic	ials, state employees, government contractors and
lobby:	ists in accordance with the provisions of the State Ethics
Commis	ssion Act;
	(5) compile, adopt, publish and provide to all
state	officials, state employees, government contractors and
1obby:	ists an ethics guide that clearly and plainly explains the
ethics	s requirements set forth in state law;
	(6) compile, adopt, publish and provide to all
state	officials, state employees, government contractors and
1obby:	ists a business ethics guide that clearly and plainly
expla:	ins the ethics requirements set forth in state law as they
relate	e to conducting business with the state;
	(7) offer annual ethics training to all state
offic	ials, state employees, government contractors and
lobby:	ists; and
	(8) contract for the provisions of goods and
servi	ces.
	Section 5. EXECUTIVE DIRECTORDUTIESEMPLOYMENT
	A. The executive director of the commission shall:
	(1) he employed by report directly to and

- (1) be employed by, report directly to and serve at the pleasure of the commission;
- (2) perform all investigations on behalf of the commission;
- (3) bring complaints and investigation results .173678.2SA

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before the commission for consideration;

- (4) prepare an annual budget for the commission and submit it to the commission for approval; and
- (5) make recommendations to the commission of proposed rules or legislative changes needed to provide better administration of the State Ethics Commission Act.
- B. The executive director may hire a general counsel for the commission and all other personnel as may be necessary to carry out the responsibilities of the commission.
- C. The executive director of the commission may administer oaths and take depositions to the same extent and subject to the same limitations as would apply if the deposition were held pursuant to the discovery rules in a civil action in the district court.
- D. For a period of one calendar year immediately following the executive director's employment with the commission, the executive director shall not:
- (1) hold or seek an elective public office, an appointed public position or public employment;
- (2) represent a respondent, unless appearing on the executive director's own behalf; or
- (3) accept employment or otherwise provide services to a person or entity that is a respondent, unless the executive director accepted employment or provided services to the person or entity prior to the filing of a complaint against .173678.2SA

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Section 6. COMMISSION--ADVISORY OPINIONS.--

- The commission may issue an advisory opinion to a state official, state employee, government contractor or lobbyist on matters relating to a specific set of circumstances involving ethics violations. Unless amended or revoked, an advisory opinion issued by the commission shall be binding on the commission in any subsequent commission proceedings concerning the person who requested the opinion; provided that the person acted in good faith and in reliance upon the opinion.
- The commission shall promulgate rules for issuing advisory opinions; provided that:
- advisory opinions shall be requested in writing and identify a specific set of circumstances involving an ethics issue;
- all requests to the commission for (2) advisory opinions shall be confidential; and
- the commission may publish an advisory opinion after omitting the name of the requesting state official, state employee, government contractor or lobbyist.
- Section 7. COMMISSION--COMPLAINTS--INVESTIGATIONS--FINDINGS AND RECOMMENDATIONS--REPORTS REQUIRED--CRIMINAL REFERRAL REQUIRED. --
- A complaint of an alleged ethics violation .173678.2SA

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committed by a state official, state employee, government contractor or lobbyist may be:

- filed with the commission by a person who (1) has actual knowledge of an alleged ethics violation; or
- initiated by the commission upon receipt (2) of evidence deemed sufficient by the commission of an alleged ethics violation.
- A person who files a complaint with the commission shall sign the complaint under penalty of false statement and set forth in detail the specific charges against the state official, state employee, government contractor or lobbyist and the factual allegations that support the charges. Together with the complaint, a person shall submit to the commission any evidence that the person has that supports the complaint. Evidence may include documents, records and the names of witnesses. The commission may prescribe the forms on which complaints are to be filed.
- The chair of the commission shall sign a complaint initiated by the commission, and the complaint shall set forth in detail the specific charges against the state official, state employee, government contractor or lobbyist and the factual allegations that support the charges.
- D. Upon receipt of a complaint filed or initiated pursuant to this section, the executive director of the commission shall examine the complaint and make an initial .173678.2SA

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determination as to whether the conduct alleged in the complaint is within the jurisdiction of the commission and warrants investigation. The executive director shall bring all complaints before the commission and make recommendations to the commission regarding whether to proceed with investigations of the complaints.

- The commission may dismiss complaints that are frivolous, unfounded or outside the jurisdiction of the commission. If the commission determines that there is sufficient cause to proceed with the investigation of a complaint, the executive director shall initiate an investigation to determine whether probable cause may exist to believe that the respondent's alleged conduct constituted an ethics violation. As soon as practicable, the executive director shall notify the person who filed the complaint and the respondent of the disposition of the complaint. executive director shall also notify the respondent of the general nature of the complaint and the investigation.
- As part of the investigation, the executive director may interview witnesses and examine books, documents, records and papers reasonably related to the complaint. All testimony in an investigation shall be under oath, and the respondent shall have the right to be represented by legal counsel. If the executive director determines that the testimony of any person or the production of books, documents,

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records or papers is required in the investigation, the executive director shall request the commission to request the attorney general to issue the appropriate subpoena.

The commission may refer to the attorney general a confidential request to compel the production of books, records and papers pertinent to the investigation of a complaint conducted pursuant to this section. The attorney general may issue a subpoena that shall state with reasonable certainty the nature of the investigation, the nature of the information required to be produced, the time and place where information shall be produced and the consequences of failure to obey the subpoena. After service of a subpoena upon a person, if the person neglects or refuses to comply with the subpoena, the attorney general may apply to the district court where the custodian of the documents is located for an order compelling compliance. Any request for a subpoena pursuant to this section, the issuance of a subpoena and compliance or noncompliance with a subpoena shall be kept confidential.

Η. The executive director shall present a written report of the investigation to the commission. The respondent and the respondent's legal counsel may attend and participate in the meeting, and the executive director shall provide reasonable notice to the respondent in writing of the date, time and place of the meeting. Notwithstanding the provisions of the Open Meetings Act, meetings of the commission held for

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the purpose of an investigation conducted pursuant to this section are closed to the public.

- If the commission finds that, based on the facts in the investigation report and the facts alleged in the complaint, probable cause exists to believe that the respondent's alleged conduct constituted an ethics violation, the commission shall issue a written report of its findings. The report shall include findings of fact and conclusions of If the respondent is a state official of the executive branch or state employee of the executive branch, the written report may include a public reprimand or censure regarding the respondent's behavior or recommendations for disciplinary action against the respondent.
- J. The commission shall publicly disclose a report issued pursuant to Subsection I of this section. commission shall also transmit the report and provide all evidence collected during its investigation to the respondent, the attorney general and the:
- respondent's appointing authority if the respondent is a state official appointed to an office of the executive branch;
- appropriate legislative body, in the care **(2)** of the legislative council service, if the respondent is a legislator;
- judicial standards commission if the .173678.2SA

respondent is a judge or a justice;

- (4) appropriate state agency if the respondent is a state employee;
- (5) respondent's employer if the respondent is a lobbyist; or
- (6) state agency with which the respondent has a government contract if the respondent is a government contractor.
- K. If the commission finds that, based on the facts in the investigation report and the facts alleged in the complaint, probable cause does not exist to believe that the respondent's alleged conduct constituted an ethics violation, the commission shall dismiss the complaint and provide a report of its finding in writing to the respondent no later than five days after the finding is made. The report shall include findings of fact and conclusions of law. A commission report issued pursuant to this subsection shall not be public except upon the request of the respondent.

Section 8. COMMISSION INVESTIGATIONS--CONFIDENTIALITY.-All complaints, files, records and communications collected by
the commission that pertain to investigations of ethics
violations are confidential and are not subject to the
provisions of the Inspection of Public Records Act. The
commission or any person who receives the evidence collected in
a commission investigation pursuant to Subsection G of Section
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7 of the State Ethics Commission Act shall not disclose the complaints, files, records and communications unless:

- A. disclosure is required pursuant to the provisions of the State Ethics Commission Act;
- B. they are offered into evidence at any judicial, legislative or administrative proceeding;
- C. disclosure is required by law or ordered by a court; or
- D. the respondent files with the commission a written waiver of confidentiality.

Section 9. CONFIDENTIALITY--PENALTY.--

- A. A person who discloses any confidential complaints, files, records or communications in violation of Section 8 of the State Ethics Commission Act is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or both.
- B. In addition to a penalty imposed pursuant to Subsection A of this section, the court may impose a civil penalty not to exceed ten thousand dollars (\$10,000) for each violation of Section 8 of the State Ethics Commission Act.

Section 10. CRIMINAL VIOLATIONS--REFERRAL REQUIRED.--If the commission finds at any time that the respondent's conduct may amount to a criminal violation of state law, the commission shall immediately refer the matter to the attorney general or .173678.2SA

an appropriate district attorney. The commission shall provide the attorney general or district attorney with all evidence collected during its investigation that may be used in a criminal proceeding. Nothing in this subsection shall prevent the commission from taking any action otherwise provided in the State Ethics Commission Act.

Section 11. COMPLAINTS AND INVESTIGATIONS--TIME

A. If the commission has not scheduled a meeting concerning the disposition of a complaint within ninety days after the complaint is received or initiated by the commission or has not disposed of the complaint within twelve months after the complaint was received or initiated, the executive director shall, as soon as practicable, report to the commission the progress and status of the investigation. The commission may dismiss the complaint or instruct the executive director to continue the investigation of the complaint. Unless the commission dismisses the complaint, the executive director shall report to the commission every six months thereafter on the progress and status of the investigation.

B. Upon a dismissal or decision to continue an investigation of a complaint pursuant to this section, the commission shall notify the respondent in writing of its action. The commission shall not publicly disclose its action except upon the request of the respondent.

Section 12. PROHIBITED ACTIONS.--

- A. A person shall not take or threaten to take any retaliatory, disciplinary or other adverse action against another person who in good faith:
- (1) files a complaint with the commission alleging an ethics violation against a state official, state employee or lobbyist; or
- (2) provides testimony, records, reports or other information to the commission during an investigation conducted pursuant to the State Ethics Commission Act.
- B. Nothing in the State Ethics Commission Act precludes civil actions or criminal sanctions for libel, slander or other civil or criminal claims against a person who files a false claim under that act.

Section 13. TEMPORARY PROVISION--REPORT ON EXTENSION OF STATE ETHICS COMMISSION JURISDICTION TO LOCAL GOVERNMENTS.--By January 1, 2011, the state ethics commission shall submit a report to the governor, the legislature and the chief justice of the supreme court regarding the extension of state ethics commission jurisdiction to elected and appointed officials and employees of counties, municipalities and school districts. The report shall include and make recommendations on:

A. a detailed plan formulated by the commission for implementation of an extension of its jurisdiction, including a proposed timeline;

	В.	the estimated nu	mber of	additional	employees	and
the amount	and	type of resource	s needed	l by the sta	ate ethics	
commission	to o	arry out its pow	ers and	duties if	its	
iurisdictio	on we	re extended:				

- C. all estimated budget increases needed and the estimated annual budget for the state ethics commission if its jurisdiction were extended; and
 - D. any changes that are needed to existing law.

Section 14. APPROPRIATION.--Five hundred thousand dollars (\$500,000) is appropriated from the general fund to the state ethics commission for expenditure in fiscal year 2010 to carry out the provisions of the State Ethics Commission Act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

Section 15. EFFECTIVE DATES.--

- A. The effective date of the provisions of Sections 1 through 5, 8, 9 and 12 through 14 of this act is July 1, 2009.
- B. The effective date of the provisions of Sections6, 7, 10 and 11 of this act is January 1, 2010.

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