March 2012

ELECTIONS Georgia Ethics in Government Act: Amend the Georgia Ethics in Government Act so as to Provide for the Comprehensive Revision of Provisions Regarding Ethics and Conflicts of Interest; Provide for and Change Certain Definitions; Change Certain Provisions Relative to Declaration of Policy; Change Certain Provisions Relating to the Ethics Commission; Provide for the Timely Issuance of Advisory Opinions by the State Ethics Commission and Other Matters Relative to Advisory Opinions; Change Provisions Relating to the State Ethics Commission Including its Administrative Attachment to the Secretary of State's Office; Change Provisions Relating to the State Ethics Commission Including its Administrative Attachment to the Secretary of State's Office; Change Provisions Relating to the State Ethics Commission Including its Administrative Attachment to the Secretary of State's Office; Change Provisions Relating to Mailing Complaints; Provide for Rule Making with Regard to Technical Defects in Financial Disclosure Statements; Change Certain Provisions Regarding Connected Organizations; Create Certain Restrictions on Receipt or Award of State Contracts; Change Certain Provisions Regarding Contributions Made to Candidates and the Location Where Certain Reports Are Filed; Change Provisions Relating to Contributions or Expenditures Other Than Through Candidates or Campaign Committees and Disclosure of Extensions of Credit; Change Certain Provisions Regarding Disclosure Reports; Change Certain Certain Provisions Regarding Electronic Filing of Reports; Change Certain Provisions Relating to Acceptance of Campaign Contributions During Legislative Sessions; Change Certain Provisions Relating to Maximum Allowable Contributions; Change Certain Provisions Relating to Accounting for and Expenditure of Campaign Contributions; Change Certain Provisions Relating to Filing of Financial Disclosure Statements; Change Provisions Relating to Filing by Mail; Change
Registration; Change Provisions Relating to Lobbyist Disclosure Reports and the Contents Thereof and the Definition of Lobbyist; Create Provisions Relating to a Lobbyist Eligibility for Certain Appointments; Provide for Restrictions for Lobbying Activities for Certain Persons; Provide Restrictions for Lobbyists Relating to Contingency Agreements; Provide for Restrictions for Lobbyists Relating to Presence on the Floor of the House of Representatives and Senate; Correct Cross-references; Create the Joint Legislative Ethics Committee; Provide for Powers and Duties of the Committee; Provide for the Initiation of Complaints; Provide for Anti-nepotism Provisions; Provide for Penalties; Provide for Restrictions on the Governor's Appointment Power Under Certain Circumstances; Repeal Conflicting Laws; and for Other Purposes

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BILL NUMBER: HB 48
ACT NUMBER: 212
GEORGIA LAWS: 2005 Ga. Laws 859
SUMMARY: The Act amends the Ethics in Government Act. The Act contains a new requirement of a one-year waiting period for former legislators who wish to transition into lobbying positions. It requires lobbyists to provide information about clients who pay them more than $10,000 in a one-year period. The Act imposes fines for ethics violations under a tier system. Additionally, the Act places restrictions on the Governor’s judicial appointment power and on family members of public officials who wish to obtain public service positions. Also, the Act prohibits legislators from seeking and accepting contributions during the legislative session. The Act establishes a Joint Legislative Ethics Committee to investigate legislative conflicts of interest. Finally, the Act expands the duties of the State Ethics Commission.


History

One can argue Georgia’s ethics rules are among the weakest in the United States. A study conducted by the Better Government Association (BGA) analyzed “the relative strength of existing laws that promote integrity” and ranked Georgia 26th out of 50 states. BGA complies rankings based on different categories, and while Georgia does well in a few areas, it performs poorly in others. For example, Georgia ranks 9th with respect to laws limiting the soliciting, offering or accepting of gifts, trips and honoraria. For laws addressing information available to the general public, Georgia scores 63%, which is higher than the scores of most other states. But Georgia’s laws on whistle blower protection and campaign finance rank among the lowest in the country with scores of 36% and 37%, respectively. Further, Georgia’s laws preventing conflicts of interest in government received a score of 49%, ranking it 33rd in the country.

Governor Sonny Perdue believed the state needed tougher ethics laws. Governor Perdue stated that “[a]s public officials entrusted with serving the citizens of this state, it is time for us to write these high ethical standards into law.” The Georgia General Assembly made attempts to pass a stronger ethics bill in 2003 and 2004 but failed each time. Governor Perdue wanted “[t]he people of Georgia

4. See BGA INTEGRITY INDEX, supra note 3, at 1.
5. Id. at 24.
6. Id. at 7.
7. Id. at 13, 17.
8. Id. at 27.
10. Id. (quoting Governor Perdue).
to know that the business of state government will always be conducted with the highest ethical standard[s].” 12

Bill Tracking of HB 48

The Bill, As Introduced

Representatives Rich Golick, Jay Roberts, and Larry O’Neal, of the 34th, 154th, and 146th districts, respectively, sponsored HB 48. 13 As introduced, HB 48 included many provisions to strengthen ethics in Georgia government. 14 The bill as introduced required legislators who leave public office to wait one year before they may transition to a lobbying position. 15 The bill included this provision because “ethics watchdogs” worried that “lawmakers are cashing in on their connections.” 16 Further, the bill contained a nepotism rule that prohibited elected officials from trying to appoint family members to public positions, except for jobs paying less than $10,000 a year. 17

The bill also prevented campaign donations from effecting the Governor’s decision of who to appoint as judges. 18 The bill, as introduced, prohibited the Governor from appointing candidates to the bench if they contributed to the Governor’s campaign 30 days before or after the opening of the position. 19 Governor Perdue has accused former Governor Roy Barnes of appointing judges who made campaign contributions. 20 However, Governor Perdue “has appointed the wife of one of his House floor leaders and the partner of the new House speaker to the bench.” 21

The bill also restricted members of the General Assembly and other state officials from influencing decisions of the Board of

14. See Interview with Bill Bozarth, Executive Director, Common Cause of Georgia, in Atlanta, Ga. (Apr. 19, 2005) [hereinafter Bozarth Interview].
21. Id.
Pardons and Paroles. This provision did not have a dramatic effect because the Board significantly alleviated this problem when it publicly named those who contacted them regarding paroles and pardons. HB 48 also included a $50 cap on all gifts to lawmakers. Under the bill, the State Ethics Commission would have the jurisdiction to investigate conflict of interest complaints. Finally, the bill required lobbyists to disclose fees they receive in their efforts to lobby state officials.

Consideration by the House

The House first read the bill on January 11, 2005. The House read it again on January 12, 2005 and assigned it to the House Ethics Committee. During Committee sessions, members substantially altered HB 48. The Committee eliminated the provision capping gifts to $50 and the requirement that lobbyists disclose their fees. But the Committee required identification of individuals or companies that pay a lobbyist more than $20,000 per year. Although the original bill raised the fine for ethics violations to $10,000 per violation, the Committee changed it to a tier system, fining violators $1,000 for their first offense, $5,000 for their second offense, and $10,000 for their third and subsequent offenses. During the House floor debate, Representative Joe Wilkinson stated:

We're talking about a bill that empowers the State Ethics Commission to effectively enforce the toughest ethics laws ever passed in the State's history. We have the $1,000 fine for the first offense, $5,000 for the second, $10,000 for the third . . . .
[T]he Governor asked for a ten fold increase and we’ve given it. We thought that there might be some moderation for those who might make a mistake on that first or second time.\textsuperscript{33}

In addition, the Committee eliminated the provision giving the State Ethics Commission jurisdiction to hear complaints regarding conflicts of interest.\textsuperscript{34} The Committee also severed the provision regarding influences on pardons or paroles by state officials from HB 48 and transferred it to another bill.\textsuperscript{35}

On March 3, 2005, the House Ethics Committee favorably reported on the bill by substitute.\textsuperscript{36} On March 4, 2005, the House read the bill for the third time.\textsuperscript{37} The House passed one floor amendment correcting a typographical error.\textsuperscript{38} Following the floor debates on March 4, 2005, the House overwhelmingly adopted the House Committee substitute and passed HB 48, as amended, by a vote of 163 to 3.\textsuperscript{39}

\textit{Consideration by the Senate}

The Senate first read HB 48 on March 10, 2005.\textsuperscript{40} The Senate read HB 48 for the second time on March 24, 2005 and assigned it to the Senate Ethics Committee.\textsuperscript{41}

The Senate attempted to reinsert some tougher provisions that the House had eliminated.\textsuperscript{42} The most notable change the Committee made was the addition of a bipartisan House-Senate ethics committee that would handle enforcement of legislative conflicts of interest.\textsuperscript{43} This change came in response to the House’s removal of a provision in the original bill, which gave the State Ethics Commission

\textsuperscript{34} Tharpe & Badertscher, \textit{supra} note 25.
\textsuperscript{35} Tharpe & Badertscher, \textit{supra} note 2.
\textsuperscript{37} See \textit{State of Georgia Final Composite Status Sheet, HB 48, Mar. 4, 2005 (May 11, 2005)}.
\textsuperscript{39} See \textit{Georgia House Voting Record, HB 48 (Mar. 4, 2005)}.
\textsuperscript{40} See \textit{State of Georgia Final Composite Status Sheet, HB 48, Mar. 10, 2005 (May 11, 2005)}.
\textsuperscript{41} See \textit{State of Georgia Final Composite Status Sheet, HB 48, Mar. 24, 2005 (May 11, 2005)}.
\textsuperscript{42} See \textit{Bozarth Interview, supra note 14}.
jurisdiction to handle ethics complaints against General Assembly members and their employees.\textsuperscript{44} In an effort to compromise with the House, the Senate Committee established a new body to field conflict of interest complaints against lawmakers and legislative branch employees.\textsuperscript{45} The Committee substitute created the Legislative Ethics Committee to investigate complaints brought by citizens against members of the General Assembly and its employees.\textsuperscript{46} Among the Committee’s powers are issuing advisory opinions and issuing sanctions against legislative branch employees.\textsuperscript{47} Regarding “members of the General Assembly, the [C]ommittee is empowered only to make recommendations of sanctions back to the member’s respective body.”\textsuperscript{48} The State Ethics Commission would still hear any complaint about the Governor’s office.\textsuperscript{49} While the Senate did add some teeth back into HB 48, the Senate failed to address gift caps.\textsuperscript{50}

On March 29, 2005, the Senate Ethics Committee introduced its Committee substitute.\textsuperscript{51} On that same day, the Senate voted to engross the bill, preventing any further amendments to the bill.\textsuperscript{52} The Senate passed the Committee substitute unanimously by a vote of 52 to 0.\textsuperscript{53} After referring the bill to the House for approval, the House rejected the Senate version.\textsuperscript{54}

\textit{Conference Committee}

Because the House and Senate could not agree, the bill went to Conference Committee on March 29, 2005.\textsuperscript{55} The members of this Committee drafted a revision of HB 48 and recommended that both

\begin{itemize}
\item \textsuperscript{44} Tharpe, \textit{supra} note 43.
\item \textsuperscript{45} \textit{Id.}; League of Women Voters of Georgia, Legislative Newsletter #11 (Apr. 11, 2005) (on file with the Georgia State University Law Review) [hereinafter Legislative Newsletter].
\item \textsuperscript{46} \textit{Id.}
\item \textsuperscript{47} Legislative Newsletter, \textit{supra} note 45.
\item \textsuperscript{48} \textit{Id.}
\item \textsuperscript{49} Bozarth Interview, \textit{supra} note 14.
\item \textsuperscript{51} \textit{See} State of Georgia Final Composite Status Sheet, HB 48, Mar. 29, 2005 (May 11, 2005).
\item \textsuperscript{52} \textit{See id.; see also} Williams, \textit{supra} note 50.
\item \textsuperscript{53} Georgia Senate Voting Record, HB 48 (Mar. 29, 2005).
\item \textsuperscript{54} \textit{See} State of Georgia Final Composite Status Sheet, HB 48, Mar. 29, 2005 (May 11, 2005); Williams, \textit{supra} note 50; Bozarth Interview, \textit{supra} note 14.
\item \textsuperscript{55} \textit{See} State of Georgia Final Composite Status Sheet, HB 48, Mar. 29, 2005 (May 11, 2005).
\end{itemize}
the House and Senate pass the revised bill. On March 31, 2005, the Senate voted to adopt the Conference Committee substitute by a vote of 51 to 0. At midnight on April 1, 2005, the House voted to adopt the Conference Committee substitute by a vote of 160 to 1. Governor Perdue signed the bill on May 5, 2005.

The Act

The Act implements many changes to ethics rules in Georgia, most of which concern lobbyists. For example, the Act prevents former lawmakers from returning to the Capitol as lobbyists for at least one year after they leave public office. Also, lobbyists may not hold an appointment in a public office that regulates activities of one of the lobbyist’s clients until one year after the lobbyist registration for that client expires. Lobbyists must now disclose the identity of clients from whom they receive $10,000 or more in a single year. They are still not required to report the exact amount these clients paid them. Finally, the Act now includes those who lobby vendors and regulatory agencies in its definition of lobbyist.

Other parts of the Act affect the legislators who passed it. Now, candidates who fund their own campaigns cannot use campaign contributions to pay back loans of more than $250,000. Public officers cannot advocate for the employment or appointment of a family member to any public service jobs that pay more than $10,000 per year. In addition, the Act requires candidates for public office to report campaign contributions of $1,000 or more within two business days. Additionally, legislators cannot seek or accept contributions

56. See State of Georgia Final Composite Status Sheet, HB 48, Mar. 31 2005 (May 11, 2005); Legislative Newsletter, supra note 45.
57. Id.
58. Id.
60. Bozarth Interview, supra note 14.
62. Id. § 21-5-74.
63. Id. § 21-5-71.
64. Id.
65. Id. § 21-5-70.
67. O.C.G.A. § 21-5-41 (Supp. 2005); Legislative Newsletter, supra note 45.
68. O.C.G.A. § 45-10-80 (2002); Legislative Newsletter, supra note 45.
or pledges of contributions during the legislative session.\textsuperscript{70} Candidates and office holders must now disclose direct ownership (and ownership interests of his or her spouse and dependent children) of any business in which they have a 5\% interest or that has a value of $10,000 or more.\textsuperscript{71} Also, the Joint Legislative Ethics Committee now has jurisdiction to hear complaints about state legislators.\textsuperscript{72}

Under the Act, the Governor may not appoint anyone to judicial office who made a campaign contribution or expenditure to the Governor in the 30 days preceding or following such a position becoming available unless the Governor refunds the contribution.\textsuperscript{73}

The Act creates a tier system for penalties imposed by the State Ethics Commission making the maximum fine for the first violation $1,000, $5,000 for the second violation, and $10,000 for the third violation, and the Act expanded various other duties of the Ethics Commission.\textsuperscript{74}

\textit{Analysis}

\textit{Lobby Reform}

Since Georgia’s ethics laws rank among the weakest in the country, the public favors ethics reform.\textsuperscript{75} One main criticism of the Act is that it did not contain a cap on gifts from lobbyists.\textsuperscript{76} The original bill contained a $50 cap, but legislators removed that provision.\textsuperscript{77} Without caps on gifts from lobbyists to officials, Georgia’s ethics reform lacks strength.\textsuperscript{78} According to the State Ethics Commission, in 2004, lobbyists spent $906,300 in their efforts to spend time with state lawmakers and other officials.\textsuperscript{79} Lobbyists spent 86\% of this money “wining and dining” officials and

\textsuperscript{70} O.C.G.A. § 21-5-35 (Supp. 2005); Legislative Newsletter, \textit{supra} note 45.
\textsuperscript{71} O.C.G.A § 21-5-50 (Supp. 2005).
\textsuperscript{72} Id. §§ 45-10-90 to -94.
\textsuperscript{73} Id. § 45-12-61; Legislative Newsletter, \textit{supra} note 46.
\textsuperscript{74} \textit{See} O.C.G.A. § 21-5-6 (Supp. 2005); Legislative Newsletter, \textit{supra} note 45.
\textsuperscript{75} Tharpe \& Badertscher, \textit{supra} note 2.
\textsuperscript{76} Williams, \textit{supra} note 50; \textit{see also} Bozarth Interview, \textit{supra} note 14; Legislative Newsletter, \textit{supra} note 45.
\textsuperscript{77} See Legislative Newsletter, \textit{supra} note 45; Tharpe \& Badertscher, \textit{supra} note 25.
\textsuperscript{78} See Legislative Newsletter, \textit{supra} note 45.
entertaining officials by providing them tickets to sporting events.\textsuperscript{80} The $906,300 spent in 2004 was up $90,000 from the amount spent in 2003, and about $200,000 more than in 2002.\textsuperscript{81} Lobbyists are spending more money to influence officials, and with no cap on the amount they can spend, or that officials can accept, this trend will likely continue.\textsuperscript{82}

Some legislators defend lobbyists' gifts by saying that the lobbyists only want to meet the officials, and it is the legislators' duty to become familiar with the people who represent various interests around the state.\textsuperscript{83} Even Governor Perdue, who pushed for the gift cap, "has accepted airplane rides, NASCAR tickets and dinners from lobbyists, according to state records."\textsuperscript{84} For example, "[l]ast year a Home Depot lobbyist spent $2,400 to fly Perdue from Atlanta to a NASCAR race at Atlanta Motor Speedway, about 30 miles south of the city."\textsuperscript{85} The Governor's staff responded that most of the gifts were worth less than $25, and since the trips concerned state business, it saved the state money to permit lobbyists to pay.\textsuperscript{86} Some argue that the state should pay for official state business trips, and if the state has a "tight budget," the Governor should find a cheaper alternative.\textsuperscript{87}

One significant aspect of money passing from lobbyist groups to state officials is that "the average person [hoping] to get his legislator to do the right thing has no means at all to match that."\textsuperscript{88} Further, "[t]he whole point of limiting what lobbyists can do for sitting politicians is that gifts of an extraordinary size are seen as a way to influence policies."\textsuperscript{89} Many supporters of ethics reform believe that legitimate ethics reform necessarily includes a gift cap.\textsuperscript{90} Some say the Act shows that in 2005 legislators "were willing to put rigid

\begin{flushleft}
\textsuperscript{80} Id.
\textsuperscript{81} Id.
\textsuperscript{82} Id.
\textsuperscript{83} Id. (noting statement of Representative Bill Hamrick).
\textsuperscript{84} James Salzer, Perdue Took Gifts from Lobbyists: Governor Pushed Limits on Giving to Legislators, But Accepted Airplane Rides, Dinners, Tickets Himself, ATLANTA J. CONST., May 1, 2005, at F1.
\textsuperscript{85} Id.
\textsuperscript{86} Id.
\textsuperscript{87} Id. (noting statement of Bill Bozarth, Executive Director, Common Cause of Georgia).
\textsuperscript{88} Tharpe & Badertsher, supra note 79 (quoting Bill Bozarth).
\textsuperscript{89} Salzer, supra note 84 (quoting Bill Bozarth).
\end{flushleft}
restrictions on lobbyists. But when it came to holding themselves or the executive branch more accountable, that seems to have fallen out of the bill.” 91

Joint Legislative Ethics Committee

The Act established a joint 10-member committee (Committee) that will have the power to investigate citizen complaints of conflicts of interest brought against members of the General Assembly and legislative branch employees. 92 The Committee will consist of four members from both the Senate and the House, the Speaker of the House, and the President Pro Tempore of the Senate. 93 This was one of the most radical changes made to the original bill, which assigned powers to investigate conflicts of interest to the State Ethics Commission. 94 The Senate, which created the Legislative Committee, originally included citizens as members of the Committee. 95 But the Conference Committee removed citizens from the make-up of the Committee, and now the Committee members are entirely General Assembly members. 96

The Committee is one of the most problematic provisions of the Act. 97 The state needed a body to address complaints against lawmakers because there are no local remedies or processes for citizens to seek redress when their representative engages in misconduct. 98 To punish these officials there needs to be sufficient evidence for the local district attorney to be willing to prosecute. 99 One solution to this statewide problem was to create a “fair, unbiased body to address questionable action by public officials short of

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92. O.C.G.A. §§ 45-10-90 to -94 (Supp. 2005); Legislative Newsletter, supra note 45.
93. O.C.G.A. § 40-10-91 (Supp. 2005); Legislative Newsletter, supra note 45.
94. Legislative Newsletter, supra note 45.
98. Id.
99. Id.
criminal prosecution and to serve as a deterrent against abuse of power in public office.100

One main criticism of the newly created Committee is that it shuts out the public.101 The Committee will have the jurisdiction to look into misconduct by fellow members of the legislature in secrecy because the General Assembly is not subject to the state Open Records Act.102 Therefore, “the new Committee will be free to withhold as much information from the public as it likes.”103 Other states have similar self-policing mechanisms that have been, for the most part, unsuccessful.104 No one knows how successful the Committee will be in investigating these claims or how exactly it will carry out these duties.105 Those against the self-policing Committee “argue it would be more effective to have an independent body, rather than a group of lawmakers, determining if a legislator has a conflict.”106

Conclusion

Georgia took a lot of important steps for ethics reform in the 2005 legislative session.107 Ethics reform will return in 2006 and probably for years to come.108 The public cares about ethics reform, but some legislators downplay the problem, arguing that legislators “are not down here because they are getting financial benefit. They’re down here because they want to make a difference in government.”109

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100. See Jim Tharpe, Legislature ’05: Ethics Bill on Senate’s ‘Must’ List: Items Cut by House Likely to be Restored, ATLANTA J. CONST., Mar. 21, 2005, at B1, available at 2005 WLNR 4359540 (quoting Bill Bozarth, Executive Director, Common Cause of Georgia).
102. Id.
103. Id.
104. See Bozarth Interview, supra note 14 (noting that New York and North Carolina have self-policing committees, and it has not worked).
105. Legislative Newsletter, supra note 45.
106. Salzer, supra note 12.
107. See Bozarth Interview, supra note 14.
108. See id.