

REPORT OF THE SPECIAL ETHICS COMMITTEE
TO THE HOUSE OF REPRESENTATIVES OF THE
STATE OF MINNESOTA

ETHIC GUIDELINES

In the American system of representative government, in which government functions by and with the consent of the governed, it is the duty of the Minnesota State House of Representatives and its members to support and defend the constitutions of this state and of the United States and to consider and enact legislation necessary to the public interest. To maintain a proper balance in the consideration and enactment of laws it is essential that each legislator exercise his influence and cast his vote according to the best interests of the public and his constituents.

The Minnesota House of Representatives acknowledges that, in serving the public interest, it is a legislator's responsibility to vote upon all questions before the House of which he is a member and to participate in the business of the House and its committees, and that in doing so he is presumed to act in good faith and in the public interest.

Furthermore, the Minnesota House of Representatives finds and determines that high moral and ethical standards among public servants are essential to the conduct of free government; that guidelines for public officers and employees is necessary in order to eliminate any conflicts of interest in public office, improve standards of public service, and promote and strengthen the faith and confidence of the people of Minnesota in their government. Therefore, the House of Representatives Ethics Committee suggests these guidelines to the statutory provisions:

To the House of Representatives in its present makeup of part-time citizen legislators we suggest that certain conflicts of interest must be endured for legitimate reasons. We divide conflicts of interest in to the following categories:

1. Inherent conflicts -- situations that occur because a legislator is a parent, home owner, taxpayer, consumer, or in a similar category of high visibility which have very low potential for conflicts.

2. Personally necessary conflicts -- normal employment and other known income producing investments.

3. Avoidable conflicts of interest -- the category of personal interest, economic or otherwise, which substantially risk impairment of independence and are unnecessarily held by or pursued by a member.

It is our concern that the inherent conflicts and personally necessary conflicts be known if not of high visibility. It is also our desire that avoidable conflicts be disclosed as set forth herein and that the guidelines we discuss herein will more significantly define the association's interest or endeavors which we feel should be avoided under a code of ethics for the House.

In our pursuit of these goals we make the following definitions for use in our report:

1. "Close economic associate" includes the individual's employer, partners, and associates in business and professional enterprises.
2. "Close relative" and "close relationship" extends to the legislator's spouse and minor children.
3. "Committee" means the House statutory ethics committee.
4. Economic interest as used herein shall mean a substantial economic interest distinct from that of the general public or major class of citizens and in any event, shall mean an ownership interest in excess of \$5,000 or 5% or more of the outstanding capital stock and an income interest in excess of \$1,000 per year. It shall also

include being an officer or director in any general category of activity. "Economic interest" does not include a bank or savings and loan association in which his interest is in the form of an account, or an insurance company in which he is a policyholder.

To provide more explicit guidelines, we present the following standards:

- A. No member of the House or House employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.
- B. No member of the House or House employee should use information gained by reason of his official position for his personal gain or benefit.
- C. No member of the House or House employee should engage in any transaction as a representative or agent of the state with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.
- D. A member of the House or House employee should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties.
- E. A member of the House of Representatives, who, as chief author of any measure or bill presented to the members of the House shall disclose any economic interest held by himself, a close economic associate, or his close relative to the legislative committee, and to the legislative assembly, and such disclosure shall be recorded in the Journal or minutes affecting the meeting.

- F. No member of the House or House employee should use his position for compensation except in his capacity as a representative for his constituency, to secure or attempt to secure special governmental benefits, privileges or exemptions for himself or for other individuals, corporations or associations.
- G. No member of the House or House employee shall act as an agent or attorney for the prosecution of any claim against the state of Minnesota before the legislature or committee or commission thereof, or to aid or assist in the prosecution or support of such claim other than in the proper discharge of his official duties, or to receive any gratuity in connection with, or any share or interest in, any such claim. However, this provision shall in no way prevent a legislator from presenting any such claims which are personal to himself.
- H. No member of the House or House employee should accept any employment or retainer for appearances before any state board or agency if such appearance is based on a contingent fee, unless said fee is set by statute.
- I. No member of the House or House employee or firm or association of which such person is a member, or corporation, ten per centum or more of the stock of which is owned or controlled directly or indirectly by such person, shall sell any goods or services having a value in excess of \$100.00 to any state board or agency unless pursuant to an award or contract let after public notice and competitive bidding. This subdivision shall not apply to the publication of resolutions, advertisements or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

J. No member of the House or House employee shall, directly or indirectly, solicit, accept or receive any gift having significant value, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or in the official performance of his official duties or was intended as a reward for any official action on his part.

We further recommend that the ethics statute be amended to accomplish the following items:

1. To expand the Ethics Committee to eight members of the House of Representatives, four from the minority group and four from the majority group.
2. To permit the committee, on its own motion to initiate action as if the complaint had been filed.
3. To require that this committee meet at least twice each year.

The committee in arriving at these recommendations spent many hours hearing testimony from both political parties, from the representative of the Supreme Court and from representatives of public agencies. We have heard also from the State League of Women Voters, from Harold Chase of the Political Science Department of the University of Minnesota, and from the Governor's Office. We take special note of the Governor's message on ethics.

We feel that the Ethics Committee should maintain a file of opinions rendered pursuant to requests for advisory opinions and in fact should promulgate on its own accord such advisory opinions even if based upon hypothetical examples attached to the opinions.

We found that many persons were not aware of our present

statute on ethics. We agree that general public knowledge of such a statute should be promoted both for the purposes of maintaining our ethical standards by providing an avenue of investigation and by providing a clearing house for improper and unfounded complaints.

RECOMMENDATIONS TO THE HOUSE RULES COMMITTEE FROM THE
HOUSE ETHICS COMMITTEE.

I. Disclosure

- A. Every member of the legislature or legislative employee shall file in a sealed envelope to be available to members of the committee as need arises with the chief clerk of this particular body, a written statement of 1) each financial interest, or income direct or indirect, of himself, or close relative in any activity in the avoidable conflict area as defined herein which is subject to jurisdiction of a regulatory agency and the name of the entity in which the interest is had, and whether such interest is over or under \$5,000 in value. Such disclosure may be made by categories of interest such as banks, savings and loans, and insurance companies for instance.
- B. Every office and directorship held by him in any corporation, firm or enterprise which is subject to the jurisdiction of a regulatory agency, including the name of such corporation, firm or enterprise.
- C. Any other interest or relationship which he determines in his discretion might reasonably be expected to be particularly affected by legislative action or in the public interest should be disclosed.
- D. The Chief Clerk of the House shall prepare a report containing the statements required to be filed pursuant to paragraph A, B and C of this subdivision. Each house may adopt rules to implement the provisions of this subdivision, insofar as they relate to members of the legislature and legislative employees.

II. We suggest that separate contracts be made with consultants wherein said contract deals with confidentiality of information received in the course of their employment and that such information should not be used for their benefit nor conveyed to anyone else for personal gain.

CAMERA OPERATOR'S CERTIFICATE

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