

From: Patel, Swati <SwatiPatel@gov.sc.gov>
To: Veldran, KatherineKatherineVeldran@gov.sc.gov
Date: 5/30/2014 6:37:54 PM
Subject: Fwd: H. 3945 - follow up

Sent from my iPhone

Begin forwarded message:

From: "Patel, Swati" <SwatiPatel@gov.sc.gov>
Date: May 30, 2014 at 6:34:33 PM EDT
To: "<rw Hayes@comporium.net>" <rw Hayes@comporium.net>
Subject: Re: H. 3945 - follow up

You're welcome. Have a great weekend!

Sent from my iPhone

On May 30, 2014, at 6:33 PM, "rw Hayes@comporium.net" <rw Hayes@comporium.net> wrote:

Thanks, Swati. Wes
Sent from my Verizon Wireless BlackBerry

From: "Patel, Swati" <SwatiPatel@gov.sc.gov>
Date: Fri, 30 May 2014 20:17:05 +0000
To: (rw Hayes@comporium.net)<rw Hayes@comporium.net>
Cc: Veldran, Katherine<KatherineVeldran@gov.sc.gov>; Hazelwood, Cathy<Cathy@ethics.sc.gov>
Subject: H. 3945 - follow up

Dear Chairman Hayes,

Thank you for meeting with me, Katherine and Cathy yesterday. As a follow up to our meeting, I have attached talking points regarding the income disclosure issue we discussed. Also, I have included below a summary of the other issues we discussed regarding the House and Senate versions of the ethics bill.

Please let me know if you have any questions. And we are on standby for you anytime during the conference committee process. My cell phone number is 803-665-0259. Thank you.

- (1) House Version: SECTION 4. (pp. 15-16) **Changes membership of the State Ethics Commission by requiring other constitutional officers to make appointments.**
 - a. Nine new commissioners were just appointed this session by the Governor and confirmed by the Senate. These commissioners have been trained and are currently handling cases. This provision would unseat these new commissioners next year.

- b. This section is part of the Independent Investigation sections in the House Version.
- (2) Senate Version: SECTION 2. (pp.81-82) **Increases registration fee for lobbyists and lobbyist's principals from \$100 to \$200.**
- a. House does not include this.
- (3) Senate Version: SECTION 56 (pp. 27-28) **Requires the State Ethics Commission to allow a single upload in a spreadsheet format for disclosure of reports by January 1, 2015.**
- a. The Commission will not be able to have the system configured by January 1, 2015. It expects that it would take approximately 12 months to complete.
- (4) Senate (SECTION 28, p. 40) and House (SECTION 20, p.71) **Prohibits solicitation of campaign contributions by certain people for certain campaigns.**
- a. Senate Version prohibits cabinet agencies and their employees from soliciting contributions for any statewide candidates. Including employees is overly-broad and limiting to cabinet agencies is too narrow.
- b. House Version prohibits any agency head selected by Governor, General Assembly, or an appointed or elected board to solicit contributions to a candidate.
- (5) Senate (SECTION 46) and House (SECTION 12) pp. 52-53 **Amends definition of "committee" to comply with recent case law.**
- a. Senate Version provides factors that determine the "major purpose" as found in caselaw to help put organizations on notice.
- b. House Version does not give more detailed information for organizations.
- (6) Senate Version: **Enhanced criminal penalties (SECTION 30, 31, 71)**
- a. Senate increases criminal penalties to include a felony in 3 sections of the Ethics Act if the value illegally obtained or converted is more than \$10,000.
- b. House does not include any enhanced penalties but does include a Study Committee (SECTION 23, pp. 80-81) to study ethics laws and recommend whether violations should be criminal or civil.

Swati S. Patel
Chief Legal Counsel
Office of the Governor.South Carolina
1205 Pendleton Street
Columbia, SC 29201
DD 803.734.5095