

Vermont Enacts Government Ethics Reforms, Creates State's First Ethics Commission

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In mid-June, Vermont Governor Phil Scott signed into law a government ethics reform package that, among other things, creates the state's first ethics commission and bans contributions by certain state contractors.

Previously, Vermont was one of the few states without a governmental ethics agency, and the state had received negative attention from a public integrity watchdog group that awarded the state a grade of "F" for ethics enforcement. The new law establishes a State Ethics Commission (Commission) effective January 1, 2018. Comprised of five appointed members, the Commission will not have investigative or enforcement power of its own but will appoint an executive director who will review complaints and refer them to other state authorities, such as the attorney general's office. The Commission will also establish a state code of ethics, conduct trainings on governmental ethics, and have the authority to issue guidance and advisory opinions providing interpretations on any issue related to government ethics.

The law also institutes new pay-to-play provisions, restricting political contributions by state contractors for sole source (i.e., no bid) contracts. Specifically, a person who makes a political contribution to a state officer or candidate for state office is prohibited from negotiating or entering into a sole source contract with a value of \$50,000 or more, or multiple sole source contracts with an aggregate value of \$100,000 or more, with that state officer or the state on behalf of that office for a period of one year following either the date of the contribution or the date a non-incumbent candidate takes office. Correspondingly, a person who has already entered into one or more sole source contracts exceeding the above amounts may not

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make a contribution to the relevant state officer or candidate for that state office during the term of the contract. In both cases, the contribution ban also extends to contributions made by the contractor's spouse or principal. The pay-to-play restrictions do not go into effect until December 16, 2018.