



CENTER FOR ETHICS IN GOVERNMENT

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To: State Government Committee, Pennsylvania House
From: Peggy Kerns, Natalie O'Donnell Wood, and Mark Listes
Date: June 10, 2014
Re: State Gift Disclosure Laws and Pennsylvania Comparison

The purpose of this memo is to provide a national perspective on states' gift disclosure laws and to compare the proposed HB 1872 to these laws.

Gift laws. States generally define gifts as the giving of something of value for which nothing is expected in return. **Pennsylvania's** definition is similar. In Title 65, Section 13A03, a gift is defined as "*Anything which is received without consideration of equal or great value.*" States may be similar in their definitions of gifts, but they differ in their exceptions. Common exceptions include de minimis gifts, gifts given by friends or family members, awards, or gifts for certain occasions. Exemptions related to hospitality are also common. **Pennsylvania** exempts hospitality, including meals, beverages, recreation and entertainment, transportation or lodging from its gift definition, as do many other states.

Regulating gifts. A growing trend by states is to regulate both the giving and receiving of gifts. Among the ways states regulate gifts are to:

- Ban gifts from lobbyists and others
- Set a monetary limit on gifts that can be given or received
- Require gifts at certain monetary threshold to be disclosed by legislators. Categories may include food and beverage, travel, general gifts, honorariums and gifts to members of the lawmaker's household
- Establish exceptions that may include food, hospitality and events
- Limit or prohibit the acceptance of gifts in certain situations
- Require lobbyists disclose the gifts that they provide to public officials.

Disclosure: **Pennsylvania's** Public Officers' Law states that "in order to strengthen faith and confidence" in government, the public has a right to "be assured that the financial interests of (office holders) do not conflict with the public trust." Similar language exists in other state statutes that have disclosure laws. These laws are one of the tools states use to regulate gifts.

Thirty-six states plus the District of Columbia require legislators to disclose gifts received from lobbyists and others. States may also require lobbyists to disclose gifts they give to lawmakers. These are not necessarily the same states. Indiana once required legislators to disclose gifts but in 2011 the law was amended to only require that lobbyists report on gifts given to legislators.

Colorado, Florida, Kentucky, Massachusetts, North Carolina and Wisconsin, which are considered no cup-of-coffee states (where limited or no gift giving or receiving from lobbyists is allowed), also have disclosure requirements. In these states, the disclosure requirements apply to limited gifts that can be accepted – gifts such as reimbursement for permissible travel related to official public duties, gifts received on behalf of the legislature or gifts from non-lobbyists. The other “no cup of coffee” states, Louisiana, Minnesota and South Carolina, do not require disclosure of gifts, as most gifts are not permissible. Idaho, Michigan and Vermont have no legislator financial disclosure requirements at all— be it for gifts or sources of personal income.

Disclosure thresholds. Nearly 70 percent of all reporting thresholds are set at a value that is greater than or equal to one hundred dollars. The most common threshold is \$100. Eight states and the District of Columbia use a reporting threshold of \$100 for gifts. The states are Arkansas, Indiana, Maryland, Massachusetts, Nebraska, Rhode Island, Virginia, and West Virginia. Five of these 8 states set the threshold at \$100 for any single gift, while Maryland, Massachusetts, and Virginia use \$100 as an aggregate threshold. Maryland and Virginia also include a lower reporting threshold for individual gifts. When reporting travel reimbursement the most prominent trend is requiring public officials to report any and all travel expenses that have been provided or reimbursed by a party other than the government. Three states have this threshold, Florida, Washington and Wisconsin.

Pennsylvania House Bill No. 1872 proposes lowering the gift threshold to \$50. Four states use this threshold. They are California, Colorado (with periodic adjustments tied to the Consumer Price Index as the maximum value of any gift able to be received by a public official), Virginia, and Wisconsin. Four states use thresholds below \$50. They are Florida (\$25), Maryland (\$20), New Hampshire (\$25), and Ohio (\$25 for gifts from a lobbyist).

House Bill No. 1872 also proposes lowering the threshold for reporting travel reimbursement to reimbursements that exceed \$100. Statutes concerning travel expenses specifically are less common than statutes concerning gifts in general, but some states use thresholds that are similar to Pennsylvania’s proposed level. As is discussed above, the most prominent trend is that all travel reimbursements must be reported. Additionally, Arkansas and Oregon use thresholds that are similar to the proposed level. Arkansas’s threshold is \$150. Oregon’s threshold is \$50.

2014 State Action. In its 2014 session, Virginia amended its gift law to require more frequent, (semi-annual) gift reporting and reporting of gifts to family members. Kentucky expanded its no-cup-of-coffee statute to prohibit lobbyists and employers from buying food and beverages for legislators, candidates and their families. The annual gift disclosure requirement remained unchanged.

Disclaimer: The Center for Ethics in Government at NCSL does not rank states or assess the strength or weakness of their ethics laws. We make no judgment on whether a law is effective or should be copied. We do not develop model legislation. Our research focuses on how ethics and lobbying laws apply to the legislative branch of government.

State	Gifts		Travel		Other		Threshold	Deadline
	Individual	Aggregate	Inc	Exp	Non-Exp	Item		
Alabama								
Alaska			\$250.00			Legal	250	30 days
Arizona	\$500.00	\$500.00						annually
Arkansas	\$100.00		\$150.00			to child	250	annually
California	\$50.00		\$50.00					annually
Colorado	53*					* = only if an exception		
Connecticut				\$0.00				30 Days
D.C.		\$100.00			\$200.00			annually
Delaware	\$250.00				\$0.00	expenditures	1000	annually
Florida	25 or 100*					* = only if and depending on the exception		
Georgia					\$0.00			annually
Guam								
Hawaii		\$200.00						annually
Idaho								
Illinois		\$500.00						
Indiana								
Iowa		\$500.00				unknown value	0	annually
Kansas		\$500.00			\$500.00	some hospitality	100	
Kentucky		\$200.00						
Louisiana								
Maine		\$300.00			\$2,000.00			
Maryland	\$20.00	\$100.00				2 or > admission tickets	100	annually
Massachusetts		\$100.00			\$100.00			annually
Michigan								
Minnesota								
Mississippi								
Missouri		\$200.00		\$0.00	200*	* = applies in aggregate also		annually
Montana								
Nebraska	\$100.00							annually
Nevada		\$200.00						

