

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 381 Session of 2011

INTRODUCED BY COX, AUMENT, BOYD, CALTAGIRONE, CUTLER, GRELL,
KAVULICH, KNOWLES, MILLER, MURT, PICKETT, SCHRODER AND
SWANGER, FEBRUARY 1, 2011

REFERRED TO COMMITTEE ON APPROPRIATIONS, FEBRUARY 1, 2011

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws
27 imposing taxes for State purposes, or to pay license fees or
28 other moneys to the Commonwealth, or any agency thereof,
29 every State depository and every debtor or creditor of the
30 Commonwealth," in Treasury Department, providing for
31 limitations on investment relationships and campaign
32 contributions.

The General Assembly of the Commonwealth of Pennsylvania
hereby enacts as follows:

Section 1. The act of April 9, 1929 (P.L.343, No.176), known
as The Fiscal Code, is amended by adding a section to read:

Section 311. Limitations on Investment Relationships and
Campaign Contributions.--(a) (1) The Treasury Department shall
not enter into an investment relationship with a person who has
solicited any contribution on behalf of or made any contribution
to a candidate committee or election fund of the State Treasurer
or any candidate for State Treasurer.

(2) This subsection shall apply to solicitations and
contributions made by the person, by an individual representing
the person or by a political action committee controlled by the
person.

(b) (1) No person who has agreed to or entered into an
investment relationship with the Treasury Department shall
knowingly solicit or make any contribution to a candidate
committee or election fund of the State Treasurer or any
candidate for State Treasurer.

(2) This subsection shall apply to solicitations and
contributions made by the person, by an individual representing
the person or by a political action committee controlled by the
person.

(c) Subsections (a) and (b) shall apply to the time period
which begins two years prior to the following dates and ends
upon the termination of the investment relationship:

(1) the date upon which the Treasury Department first
announces a procurement or search process that could lead to an
investment relationship which can reasonably be expected to
generate at least twenty-five thousand dollars (\$25,000)

1 annually in income, fees or other revenue to the person; or
2 (2) the date upon which a person approaches the Treasury
3 Department with a proposal to enter into an investment
4 relationship with the Treasury Department by discussing the
5 specific facts and financial terms of a particular investment
6 transaction or strategy.

7 (d) (1) The State Ethics Commission shall cause an
8 independent investigation to be performed for any reported
9 violation of this section and shall report any documented
10 violation to the State Treasurer for action within ten business
11 days of the conclusion of the independent investigation. Copies
12 of this report shall also be submitted to the chairman of the
13 Appropriations Committee of the Senate and the chairman of the
14 Appropriations Committee of the House of Representatives within
15 ten business days of the conclusion of the independent
16 investigation.

17 (2) The State Ethics Commission shall submit the report to
18 the Legislative Reference Bureau for publication in the next
19 succeeding publication of the Pennsylvania Bulletin.

20 (e) (1) If a person seeking an investment relationship with
21 the Treasury Department is found to be in violation of this
22 section, the person shall be prohibited from engaging in an
23 investment relationship with the Treasury Department for a
24 period of two years.

25 (2) A person who has an existing investment relationship
26 with the Treasury Department and who is found to be in violation
27 of the provisions of this section shall be prohibited from
28 providing any additional investment services for the Treasury
29 Department for a period of two years.

30 (f) If a person voluntarily reports a violation of this

1 section to the State Ethics Commission within ninety days of the
2 contribution's being made and it is established pursuant to an
3 independent investigation that the violation was inadvertently,
4 unintentionally or unknowingly made and the contribution was
5 returned, the provisions of subsection (e) shall not apply.

6 (g) As used in this section, the following words and phrases
7 shall have the meaning given to them in this subsection:

8 "Contribution." A contribution reportedly by the recipient
9 under Article XVI of the act of June 3, 1937 (P.L.1333, No.320),
10 known as the "Pennsylvania Election Code."

11 "Investment relationship." A relationship between a person
12 and the Treasury Department for the purpose of providing
13 investment services such as legal services, investment banking
14 services, investment advisory services, underwriting services,
15 financial advisory services or brokerage firm services for
16 brokerage, underwriting and financial advisory activities.

17 "Person." An individual, organization or partnership
18 currently engaged in or seeking to engage in an investment
19 relationship with the Treasury Department where the relationship
20 can reasonably be expected to generate at least twenty-five
21 thousand dollars (\$25,000) annually in income, fees or other
22 revenue to the individual, organization or partnership and shall
23 specifically include:

24 (1) Authorized or key personnel as defined or identified by
25 a contracting party by being attached to the contract.

26 (2) Persons who expect to or do experience a material
27 financial effect on their economic interests, including salary,
28 bonuses, options or other financial incentives directly deriving
29 from an investment relationship.

30 Section 2. The addition of section 311 of the act shall

1 apply to contributions and investment relationships made or
2 entered into after November 30, 2011.

3 Section 3. This act shall take effect in 60 days.