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**SUBSTITUTE HOUSE BILL 1136**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** House State Government (originally sponsored by Representatives Carlyle, S. Hunt, Tarleton, Kilduff, Appleton, Pike, Gregerson, Bergquist, Ormsby, Haler, Ryu, Sells, Pollet, Fey, and Farrell; by request of Attorney General)

READ FIRST TIME 02/20/15.

1 AN ACT Relating to employment after public service in state  
2 government; amending RCW 42.52.080 and 42.52.900; adding a new  
3 section to chapter 42.52 RCW; creating new sections; and providing an  
4 effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 42.52.080 and 1999 c 299 s 3 are each amended to  
7 read as follows:

8 (1) No former state officer or state employee may, within a  
9 period of one year from the date of termination of state employment,  
10 accept employment or receive compensation from an employer if:

11 (a) The officer or employee, during the two years immediately  
12 preceding termination of state employment, was engaged in the  
13 negotiation or administration on behalf of the state or agency of one  
14 or more contracts with that employer and was in a position to make  
15 discretionary decisions affecting the outcome of such negotiation or  
16 the nature of such administration;

17 (b) Such a contract or contracts have a total value of more than  
18 ten thousand dollars; and

19 (c) The duties of the employment with the employer or the  
20 activities for which the compensation would be received include  
21 fulfilling or implementing, in whole or in part, the provisions of

1 such a contract or contracts or include the supervision or control of  
2 actions taken to fulfill or implement, in whole or in part, the  
3 provisions of such a contract or contracts. This subsection shall not  
4 be construed to prohibit a state officer or state employee from  
5 accepting employment with a state employee organization.

6 (2) No person who has served as a state officer or state employee  
7 may, within a period of two years following the termination of state  
8 employment, have a direct or indirect beneficial interest in a  
9 contract or grant that was expressly authorized or funded by specific  
10 legislative or executive action in which the former state officer or  
11 state employee participated.

12 (3) No former state officer or state employee may accept an offer  
13 of employment or receive compensation from an employer if the officer  
14 or employee knows or has reason to believe that the offer of  
15 employment or compensation was intended, in whole or in part,  
16 directly or indirectly, to influence the officer or employee or as  
17 compensation or reward for the performance or nonperformance of a  
18 duty by the officer or employee during the course of state  
19 employment.

20 (4) No former state officer or state employee may accept an offer  
21 of employment or receive compensation from an employer if the  
22 circumstances would lead a reasonable person to believe the offer has  
23 been made, or compensation given, for the purpose of influencing the  
24 performance or nonperformance of duties by the officer or employee  
25 during the course of state employment.

26 (5) No former state officer or state employee may at any time  
27 subsequent to his or her state employment assist another person,  
28 whether or not for compensation, in any transaction involving the  
29 state in which the former state officer or state employee at any time  
30 participated during state employment. This subsection shall not be  
31 construed to prohibit any employee or officer of a state employee  
32 organization from rendering assistance to state officers or state  
33 employees in the course of employee organization business.

34 (6)(a) The following categories of former state officers and  
35 state employees apply to this subsection (6):

36 (i) Category A:

37 (A) Statewide elected officials;

38 (B) State legislators;

39 (C) Heads of agencies included in the governor's executive  
40 cabinet;

1 (D) Chiefs of staff or equivalent top administrators who report  
2 directly to statewide elected officials and heads of agencies  
3 included in the governor's executive cabinet;

4 (E) Chiefs of staff and top administrators of the legislature,  
5 which includes the chief clerk of the house of representatives, the  
6 secretary of the senate, the legal counsel for each legislative  
7 chamber, and the caucus chiefs of staff and caucus leadership counsel  
8 in each legislative chamber; and

9 (F) Senior executive staff of legislative agencies and agencies  
10 managed by statewide elected officials or heads of agencies included  
11 in the governor's executive cabinet; and

12 (ii) Category B:

13 (A) Heads of agencies not otherwise listed in category A;

14 (B) Chiefs of staff or equivalent top administrators who report  
15 directly to heads of agencies not otherwise listed in category A; and

16 (C) Senior executive staff managed by heads of agencies not  
17 otherwise listed in category A.

18 (b) For the purpose of this subsection (6), "senior executive  
19 staff" means those state employees or state officers whose primary  
20 responsibilities require the exercise of significant discretion and  
21 judgment on final agency policy, rule, legislative matter, or state  
22 action. By January 15th of each year, every agency shall submit to  
23 the relevant ethics board the names and staff positions meeting the  
24 criteria of senior executive staff, and must periodically update that  
25 list throughout the year as necessary to reflect changes in staff.

26 (c) Persons in categories A and B shall file a postemployment  
27 disclosure statement under section 3 of this act.

28 (d) Persons in category A, within one year after leaving state  
29 office or employment, may not receive compensation for:

30 (i) Serving as a lobbyist as defined in RCW 42.17A.005 for  
31 others;

32 (ii) Practicing or appearing before any state agency; or

33 (iii) Attempting, on behalf of another, to influence a state  
34 action by any state agency.

35 (e) Persons in category B, within one year after leaving state  
36 office or employment, may not receive compensation for:

37 (i) Serving as a lobbyist for others as defined in RCW 42.17A.005  
38 on any matter that was or is under the authority of his or her most  
39 recent former state employer;

1 (ii) Practicing or appearing before his or her most recent former  
2 state employer; or

3 (iii) Attempting, on behalf of another, to influence a state  
4 action by his or her most recent former state employer.

5 (f) This subsection (6) does not apply to persons receiving  
6 compensation for the following activities:

7 (i) Performing official duties as a current state officer or  
8 state employee;

9 (ii) Leaving a state agency or elected office to take a state  
10 agency, local government, or federal government position, or to take  
11 a position with a charitable nonprofit organization;

12 (iii) Representing a person in a judicial or quasi-judicial  
13 proceeding including administrative hearings;

14 (iv) Being called or requested to testify in any judicial or  
15 quasi-judicial proceeding, or in public sessions of the committees of  
16 the legislature;

17 (v) Participating in rule making at the request of an agency  
18 under RCW 34.05.310;

19 (vi) Assisting a natural person or corporation in obtaining or  
20 completing application forms or other forms required by a state  
21 agency for the conduct of business, or similar ministerial activities  
22 defined in rule by the ethics boards; or

23 (vii) Activities approved by a waiver under the relevant ethics  
24 boards.

25 (7) The ethics boards shall adopt rules at each of their agencies  
26 describing a process for a person to seek a waiver from the  
27 postemployment requirements in subsection (6)(d) and (e) of this  
28 section. Rules must be adopted by July 1, 2016. No waiver may be  
29 granted from the requirement to file a postemployment disclosure  
30 statement in subsection (6)(c) of this section. The ethics boards are  
31 authorized to delegate waiver approval to the chair or the chair's  
32 designee, including the executive director. Before granting a waiver,  
33 the board must find that:

34 (a) The postemployment activity presents no conflict with the  
35 state's interest;

36 (b) A need for the former state officer or employee's compensated  
37 service outweighs any potential or perceived conflict with the  
38 state's interest; or

39 (c) Extraordinary, emergency, or unique circumstances otherwise  
40 warrant granting a waiver.

1       (8) As used in this section((7)):

2       (a) "Employer" means a person as defined in RCW 42.52.010 or any  
3 other entity or business that the person owns or in which the person  
4 has a controlling interest. For purposes of subsection (1) of this  
5 section, the term "employer" does not include a successor  
6 organization to the rural development council under chapter 43.31  
7 RCW.

8       (b) "Charitable nonprofit organization" means an entity that is  
9 exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the  
10 federal internal revenue code of 1986, as amended as of January 1,  
11 2015.

12       **Sec. 2.** RCW 42.52.900 and 1994 c 154 s 1 are each amended to  
13 read as follows:

14       Government derives its powers from the people. Ethics in  
15 government are the foundation on which the structure of government  
16 rests. State officials and employees of government hold a public  
17 trust that obligates them, in a special way, to honesty and integrity  
18 in fulfilling the responsibilities to which they are elected and  
19 appointed. Paramount in that trust is the principle that public  
20 office, whether elected or appointed, may not be used for personal  
21 gain or private advantage.

22       The citizens of the state expect all state officials and  
23 employees to perform their public responsibilities in accordance with  
24 the highest ethical and moral standards and to conduct the business  
25 of the state only in a manner that advances the public's interest.  
26 State officials and employees are subject to the sanctions of law and  
27 scrutiny of the media; ultimately, however, they are accountable to  
28 the people and must consider this public accountability as a  
29 particular obligation of the public service. Only when affairs of  
30 government are conducted, at all levels, with openness as provided by  
31 law and an unswerving commitment to the public good does government  
32 work as it should.

33       The obligations of government rest equally on the state's  
34 citizenry. The effectiveness of government depends, fundamentally, on  
35 the confidence citizens can have in the judgments and decisions of  
36 their elected representatives. Citizens, therefore, should honor and  
37 respect the principles and the spirit of representative democracy,  
38 recognizing that both elected and appointed officials, together with  
39 state employees, seek to carry out their public duties with

1 professional skill and dedication to the public interest. Such  
2 service merits public recognition and support.

3 All who have the privilege of working for the people of  
4 Washington state can have but one aim: To give the highest public  
5 service to its citizens.

6 Furthermore, the legislature finds that the state has a  
7 compelling interest in preserving the public trust in the integrity  
8 of our government and ensuring that the actions of state employees  
9 are free from improper influence. The ability of a former public  
10 officer or employee in state government to be paid to influence state  
11 government actions immediately after leaving state service creates  
12 the appearance to the public of special favor, unfair access, and  
13 conflicts of interest. The practice of paying former public servants  
14 in state government to use their special knowledge of internal agency  
15 process and personal relationships with former colleagues to gain  
16 influence for private and special interests should be tempered for a  
17 period of time to protect the public interest.

18 A majority of states, as well as the federal government, have  
19 enacted laws requiring a cooling off period or other postgovernment  
20 employment laws addressing when a former public officer may lobby  
21 government or seek to influence his or her former employer. These  
22 laws impose anywhere from a one-year to a lifetime ban on certain  
23 postemployment activities. A cooling off period can effectively  
24 reduce the leverage a former officer or high-level employee has when  
25 he or she is paid to influence policy decisions within the authority  
26 of his or her former employer or former duties, until that influence  
27 is mitigated through the passage of time.

28 The disclosure by former state officers and high-level employees  
29 of their postemployment income sources will strengthen transparency  
30 and confidence in the integrity of government.

31 NEW SECTION. Sec. 3. A new section is added to chapter 42.52  
32 RCW to read as follows:

33 (1) The postemployment disclosure statement required under RCW  
34 42.52.080(6) must include the following information:

35 (a) The name of the person leaving state service;

36 (b) The position held in state government before leaving state  
37 service and the name of the most recent employer agency; and

1 (c) An acknowledgment that the person has reviewed RCW 42.52.080  
2 and 42.52.090, and for former executive branch employees, RCW  
3 42.52.100.

4 (2) If, following state service, the person leaving state service  
5 receives compensation from an employer or other entity that does  
6 business with the state or takes action to influence any state  
7 policy, rule, legislative matter, or action, the postemployment  
8 disclosure statement required under RCW 42.52.080(6) must also  
9 include the following information:

10 (a) The name and address of the new employer or source of  
11 compensation following state service;

12 (b) The name of the supervisor at the new employer, if any, or  
13 other identifying information of the principal of the employing or  
14 contracting entity;

15 (c) The date such new employment begins or began; and

16 (d) A description of anticipated postemployment duties at the new  
17 employer or employing business or provided by a contract.

18 (3) The person must date the statement and sign it under oath. An  
19 electronic signature is permitted if the form is filed  
20 electronically.

21 (4)(a) The statement is required during the twelve-month period  
22 after the date the person leaves state service and takes a new  
23 employment position or receives compensation during that same period.

24 (b) The person shall submit the statement to the respective  
25 ethics board no later than fourteen days after the person leaves  
26 state service to take a compensated employment position or takes the  
27 compensated employment position, whichever occurs earlier.

28 (c) If a person changes employers or sources of employment  
29 compensation during the twelve-month period to another employer that  
30 does business with the state or takes action to influence any state  
31 policy, rule, legislative matter, or action, he or she shall submit  
32 an updated statement within forty-five days.

33 (d) For the purposes of this section and the statement required  
34 by it, compensation does not mean income received through the  
35 person's retirement or investment accounts, social security, or  
36 similar sources.

37 (5) The ethics boards shall collaborate as necessary to design a  
38 uniform postemployment statement that provides for online filing and  
39 on a process to send copies of filed statements to the executive

1 ethics board. The ethics boards may adopt the statement and filing  
2 process by rule.

3 (6) Postemployment statements must be made available online in a  
4 searchable database on the executive ethics board web site. The other  
5 ethics boards and the public disclosure commission shall link to the  
6 database on their respective web sites.

7 (7) The ethics boards shall adopt rules to implement this  
8 section. Initial rules must be adopted by July 1, 2016.

9 NEW SECTION. **Sec. 4.** The ethics boards may begin the  
10 rule-making process under sections 1 and 3 of this act on the  
11 effective date of this section.

12 NEW SECTION. **Sec. 5.** This act applies to state officers and  
13 employees who were employed in state positions on or after the  
14 effective date of this section.

15 NEW SECTION. **Sec. 6.** Sections 1 through 3 and 5 of this act  
16 take effect July 1, 2016.

17 NEW SECTION. **Sec. 7.** If any provision of this act or its  
18 application to any person or circumstance is held invalid, the  
19 remainder of the act or the application of the provision to other  
20 persons or circumstances is not affected.

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