



Representative Derek Merrin
Ohio's 42nd House District

Sponsor Testimony
Ethics and Financial Disclosure Reform Act

Chairman Peterson, Vice-Chair Thomas, Ranking Member Forhan, and Committee Members – thank you for providing the opportunity to present testimony on the Ethics and Financial Disclosure Reform Act (HB 16). It has been several decades since Ohio took a comprehensive look at our state ethics laws despite multiple scandals that have tarnished state government and shaken Ohioans confidence.

This legislation seeks to address five major areas, while making simple changes to clarify ambiguous language, streamline reporting, and codify existing guidance by regulatory entities into law. I do not claim this bill solves or addresses every ethics issue that exists, but it is a good faith effort to begin the process of reform. I am open to having this bill amended and used as a vehicle to fix additional issues if the committee deems it best.

The five major issues I would like to highlight:

1. Requires Public Utilities Commission of Ohio (PUCO) nominees to disclose income and previous business ties from entities regulated by PUCO prior to their applications for nomination are submitted to the Governor.
2. Requires lobbying income to be reported and sourced to clients, which mirrors federal law. It is important to note the majority of states do have varying requirements that lobbying income be transparent.
3. Prohibits statewide elected officials from receiving compensation from serving on corporate boards unless the board seat was held prior to taking public office and the official has an ownership stake in the corporation. Requires public officials who are on corporate boards to disclose the amount of compensation they receive.

4. Requires the Ohio Elections Commission to publish all financial disclosure statements it receives on its website beginning January 1, 2025.
5. Specifies the Bureau of Criminal Identification and Investigation (BCII) may assist the Ohio Elections Commission (OEC) and Joint Legislative Ethics Commission (JLEC) in investigating violations of Ethics Law, upon request.

Several updates the bill makes to improve and streamline the ethics code include:

1. Creates a process to file an amended Financial Disclosure Statement (FDS)
2. Requires debts to be disclosed if not disclosed within in 60 days, which JLEC currently advises filers to disclose within a 30 day window on FDS
3. Codifies guidance on how rental income is reported on FDS
4. Removes the requirement that minor children names must be disclosed on FDS
5. Allows a lobbyist to refrain from reporting items if their employer reports the items
6. Eliminates a provision of law that prohibited a former member or employee of the General Assembly from lobbying for one year after leaving office, as the law has been rule unconstitutional
7. Synchronizes the registration periods for executive and retirement system lobbyists to make registration times all coincide with legislative biennium
8. Clarifies food and beverage expenditures
9. Codifies the definition of legislative lobbyist, executive agency lobbyist, and retirement system lobbyist

A stronger ethics code is a primary step that must be taken to ensure accountability, transparency, and honesty in state government. This bill seeks to take that step. Again, thank you for the opportunity to present sponsor testimony, and I am happy to answer any questions members may have at this time.