

Government Oversight Committee

JOINT FAVORABLE REPORT

Bill No: SB-323 / [Bill Status](#) / [Public Hearing Testimony](#)

Title: AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF STATE ETHICS FOR REVISIONS TO THE STATE CODES OF ETHICS.

Vote Date: 3/17/2026

Vote Action: Joint Favorable Substitute

PH Date: 3/3/2026

File No.:

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SPONSORS OF BILL:

Sen Sampson

REASONS FOR BILL:

Sec 1 makes a clarification regarding the reporting of securities on Statements of Financial Interests. This section extends the exemption for the reporting of securities within an employer offered retirement plan under Section 403 of the IRS Code (including public schools and certain 501(c)(3)'s). This section also requires members of boards, commissions, committees, and councils within the executive branch with contract authority to file statements of financial interests.

Secs 2-3 extend substantive and potential conflicts of interest to official action involving a public official's and state employee's outside employer and the employer of such official's or employee's spouse.

SUBSTITUTE LANGUAGE:

Added provision re decreasing Citizens' Ethics Advisory Board quorum requirements from 6 to 5. Amended what was sec. 1 re statement of financial interest requirements (now sec 2) to delete references to agencies that approve certain contracts to just say "other agencies" as required by the Governor.

References being added to OSE prescribing a form for reporting conflicts of interest in Sec. 4 & 5

Sec. 5 additional provisions being added re reporting a conflict of interest.

Removes nepotism provision

RESPONSE FROM ADMINISTRATION/AGENCY:

Peter Lewandowski, Executive Director, Office of State Ethics: Mr. Lewandowski testified in support of SB 323. He stated that the bill implements several recommendations from the Office of State Ethics to update and clarify the State Codes of Ethics. He explained that the bill would reduce the quorum requirement for the nine-member Citizen's Ethics Advisory Board from six members to five to prevent delays in conducting official business. He also noted that the bill updates financial disclosure requirements by expanding exemptions for certain retirement plan securities and explicitly prohibits nepotism in state hiring and promotion. Additionally, the bill expands conflict-of-interest provisions to include matters involving a public officials outside employer or a spouse's employer and requires written disclosure or recusal when such conflicts arise.

NATURE AND SOURCES OF SUPPORT:

Dr. Harold A. Foley, President of HF3 Group: Dr. Foley testified in support of SB 323 and cited findings from the Auditors of Public Accounts and documents obtained through FOIA requests alleging more than \$100 million in questionable Department of Housing funding. He raised concerns about non-competitive funding processes, projects exceeding established funding caps, potential conflicts of interest involving entities connected to the commissioner, and the use of public funds for contractor settlements and investor exits. He also referenced cases where reported housing units did not match units physically built. He urged the legislature to strengthen oversight, investigate these funding practices, and adopt reforms to improve transparency, enforce competitive funding processes, and ensure accountability in the Department of Housing.

NATURE AND SOURCES OF OPPOSITION:

None

**Reported by: Clerk- Greg Wolff
Assistant Clerk- Mike Hamann**

Date: 3/20/26