

RÉSUMÉ DIGEST

ACT 223 (HB 503)

2024 Regular Session

Carlson

Existing law (ethics code - R.S. 42:1113(B)) prohibits an appointed member of any board or commission, member of his immediate family, or legal entity in which he has a substantial economic interest from bidding on or entering into any contract, subcontract, or other transaction which is under the supervision or jurisdiction of the agency of such appointed member. Existing law (R.S. 42:1113(C)) prohibits a legislator, member of his immediate family, or legal entity in which he has a controlling interest from bidding on or entering into any contract, subcontract, or other transaction involving the legislator's agency.

Prior law further prohibited an appointed member of any board or commission, member of his immediate family, or legal entity in which he has a substantial economic interest from being *in any way interested* in any contract, subcontract, or other transaction under the supervision or jurisdiction of the agency of such appointed member. Prior law also prohibited a legislator, member of his immediate family, or legal entity in which he has a controlling interest from being *in any way interested* in any contract, subcontract, or other transaction involving the legislator's agency.

On Oct. 10, 2023, a majority of the state supreme court in *Cartesian Company, Inc. v. Division of Administrative Law, et al*, 371 So. 3d 1041, found "in any way interested" unconstitutionally vague on its face as to all of its applications.

New law prohibits an appointed member of any board or commission, member of his immediate family, or legal entity in which he has a substantial economic interest from *having a substantial economic* interest in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of the agency of such appointed member. New law prohibits a legislator, member of his immediate family, or legal entity in which he has a controlling interest from *having a substantial economic interest* in any contract, subcontract, or other transaction involving the legislator's agency.

Existing law defines "substantial economic interest" as an economic interest which is of greater benefit to the public servant or other person than to a general class or group of persons, except: the interest that the public servant has in his position, office, rank, salary, per diem, or other matter arising solely from his public employment or office; the interest that an elected official who is elected to a house, body, or authority has in a position or office of such house, body, or authority which is required to be filled by a member of such house, body, or authority by law, legislative rule, or home rule charter; and the interest that a person has as a member of the general public.

Existing law (R.S. 42:1112) further prohibits a public servant from participating in a transaction in which he, his immediately family members, and specified other persons and entities have a substantial economic interest of which he may be reasonably expected to know involving the governmental entity. Further generally prohibits an appointed board or commission member from participating or being interested in any transaction involving the agency when a violation of existing and new law (Ethical Standards for Public Servants) would result.

Effective upon signature of governor (May 23, 2024).

(Amends R.S. 42:1113(B) and (C))