

HOUSE COMMITTEE AMENDMENTS

2025 Regular Session

Substitute for Original House Bill No. 397 by Representative Beaulieu as proposed by the House Committee on House and Governmental Affairs

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

1 AN ACT

2 To amend and reenact R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26),
3 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(introductory
4 paragraph) and (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C),
5 1141.2(A), and 1141.4(B)(2), (C), and (E) through (H), to enact R.S. 42:1102(24)
6 and (25), 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D)
7 through (G), and 1141.4(B)(3), and to repeal R.S. 42:1141.4(D)(2), relative to the
8 revision of the system of laws providing for governmental ethics; to make revisions
9 to the Code of Governmental Ethics; to provide for definitions; to provide for
10 payments made to certain public servants from nonpublic sources; to provide for
11 prohibited contractual arrangements; to provide for limitations on food and drink; to
12 provide for admission to events, lodging, and travel; to provide for the calculation of
13 the value of air travel; to provide for exceptions to restrictions provided for in the
14 Code of Governmental Ethics; to provide for financial disclosure statements and the
15 contents thereof; to provide for the procedure and requirements for the assessment
16 of penalties for the failure to file or timely file or omit information from a required
17 report; to provide for the duties of the Board of Ethics and the Ethics Adjudicatory
18 Board; to provide for eligibility to serve on the Ethics Adjudicatory Board; to provide
19 for the contents of reports by the Board of Ethics regarding the administration of the
20 Code of Governmental Ethics; to provide for the conduct of educational seminars;
21 to provide for procedures related to the receipt of complaints and the conduct of
22 investigations and hearings; to provide for required notices; to provide for the
23 issuance of subpoenas; and to provide for related matters.

24 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26),
2 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(introductory paragraph) and
3 (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C), 1141.2(A), and 1141.4(B)(2),
4 (C), and (E) through (H) are hereby amended and reenacted and R.S. 42:1102(24) and (25),
5 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D) through (G), and
6 1141.4(B)(3) are hereby enacted to read as follows:

7 §1102. Definitions

8 Unless the context clearly indicates otherwise, the following words and terms,
9 when used in this Chapter, shall have the following meanings:

10 * * *

11 (22)(a) "Thing of economic value" means money or any other thing having
12 economic value, ~~except promotional items having no substantial resale value;~~
13 ~~pharmaceutical samples, medical devices, medical foods, and infant formulas in~~
14 ~~compliance with the Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et seq., provided~~
15 ~~to a physician, health care professional, or appropriate public employee for the~~
16 ~~administration or dispensation to a patient at no cost to the patient; food, drink, or~~
17 ~~refreshments consumed by a public servant, including reasonable transportation and~~
18 ~~entertainment incidental thereto, while the personal guest of some person, and, with~~
19 ~~reference to legislators and employees in the legislative branch of state government~~
20 ~~only, reasonable transportation when organized primarily for educational or~~
21 ~~informational purposes, including food and drink incidental thereto, and includes but~~
22 is not limited to:

23 (i) Any loan, except a bona fide loan made by a duly licensed lending
24 institution at the normal rate of interest, any property interest, interest in a contract,
25 merchandise, service, and any employment or other arrangement involving a right to
26 compensation.

27 (ii) Any option to obtain a thing of economic value, irrespective of the
28 conditions to the exercise of such option.

1 (iii) Any promise or undertaking for the present or future delivery or
2 procurement of a thing of economic value.

3 (b) In the case of an option, promise, or undertaking, the time of receipt of
4 the thing of economic value shall be deemed to be, respectively, the time the right to
5 the option becomes fixed, regardless of the conditions to its exercise, and the time
6 when the promise or undertaking is made, regardless of the conditions to its
7 performance.

8 (c) Things of economic value shall not include any of the following:

9 (i) ~~salary~~ Salary and related benefits of the public employee due to his public
10 employment or salary and other emoluments of the office held by the elected official.
11 Salary and related benefits of public employees of higher education institutions,
12 boards, or systems shall include any supplementary compensation, use of property,
13 or other benefits provided to such employees from funds or property accruing to the
14 benefit of the institution, board, or system, as approved by the appropriate policy or
15 management board, from an alumni organization recognized by the management
16 board of a college or university within the state or from a foundation organized by
17 the alumni or other supportive individuals of a college or university within the state
18 the charter of which specifically provides that the purpose of the foundation is to aid
19 said college or university in a philanthropic manner.

20 (ii) Promotional items having no substantial resale value.

21 (iii) Pharmaceutical samples, medical devices, medical foods, and infant
22 formulas in compliance with the Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et
23 seq., provided to a physician, health care professional, or appropriate public
24 employee for the administration or dispensation to a patient at no cost to the patient.

25 (iv) Food, drink, or refreshments consumed by a public servant, including
26 reasonable transportation and entertainment incidental thereto, while the personal
27 guest of some person.

1 education instructional faculty and administrators for compensation from any agency
2 participating in a state or statewide public retirement system shall be deemed for
3 purposes of this Part as compensation from his governmental entity to which he is
4 duly entitled. Such compensation shall follow all rules regarding secondary
5 compensation related to the public retirement system in which the public employee
6 is participating. Moreover, such services shall be deemed for purposes of this Part
7 to be performed for the benefit of his governmental entity, although the time spent
8 in such matters shall not be deemed as hours worked for his governmental entity.

9 (8) Any award or stipend provided to any public school teacher or
10 administrator for his participation with any nonprofit provider of teacher or public-
11 school administrator certification, shall be deemed for purposes of this Part as
12 compensation from his governmental entity to which he is duly entitled. For the
13 purposes of this Part, the services for which the award or stipend is received shall be
14 deemed to be performed for the benefit of the public school.

15 (9) Any stipend provided to any public school athletic trainer for services
16 performed for the benefit of his governmental entity paid for by a private entity that
17 provides for the health and safety of student athletes and that does not receive third
18 party reimbursements shall be deemed for purposes of this Part as compensation from
19 his governmental entity to which he is duly entitled.

20 * * *

21 §1113. Prohibited contractual arrangements; exceptions; reports

22 * * *

23 D.

24 * * *

25 (2) The provisions of this Subsection shall not prohibit the following:

26 * * *

27 (d) Except as otherwise specifically provided for in this Paragraph,
28 completion ~~Completion~~ of any contract which, at the time it was entered into, was not
29 prohibited by the provisions of this Subsection; however, no such contract shall be

1 renewed except as ~~specifically provided for in this Paragraph~~ that a contract
2 containing an option by state to extend the contract may be renewed if all of the
3 following apply:

4 (i) The option is at state government's discretion.

5 (ii) The contract renewal does not change the initial terms of the contract,
6 including the services provided and the price.

7 (iii) State government is not otherwise prohibited from exercising the option
8 to extend the term of the contract.

9 * * *

10 §1115.2. Admission to events; lodging; travel

11 * * *

12 B.(1) Any public servant who accepts complimentary admission, lodging, or
13 transportation, or reimbursement for such expenses, shall file with the Board of
14 Ethics, within sixty days after such acceptance, a certification, on a form designed by
15 the board, disclosing all of the following:

16 * * *

17 (c) The amount expended on his behalf or reimbursed by the person for
18 admission, lodging, and transportation. The amount expended on air transportation
19 by private aircraft shall calculated as provided in Subsection C of this Section.

20 * * *

21 C. The amount expended on air transportation by private aircraft shall be
22 calculated by any of the following methods:

23 (1) The cost of either:

24 (a) The lower unrestricted and nondiscounted commercial, first class or
25 business class, airfare for a flight comparable in departure location, destination, and
26 time of travel, in the case of travel between locations served by regularly scheduled
27 first class or business class commercial airline service.

28 (b) The lowest unrestricted and nondiscounted commercial, coach airfare for
29 a flight comparable in departure location, destination, and time of travel, in the case

1 of travel between locations not served by regularly scheduled first class or business
2 class commercial airline service.

3 (c) The normal and usual charter fare or rental charge for a comparable
4 aircraft of sufficient size to accommodate all travelers including security personnel,
5 if applicable, in the case of travel to or from a city not regularly served by regularly
6 scheduled commercial airline service.

7 (2) The actual cost of the private flight divided by the number of passengers.

8 (3) Any methodology accepted under generally accepted accounting
9 principles or generally accepted auditing standards.

10 (4) Any methodology consistent with any provisions of the Code of Federal
11 Regulations that values air transportation by private or non-commercial aircraft.

12 * * *

13 §1123. Exceptions

14 This Part shall not preclude:

15 * * *

16 (16)(a) ~~Notwithstanding the provisions of R.S. 42:1102(22), when~~ When
17 making a public speech, the acceptance by a member of the legislature of food,
18 refreshments, and lodging reasonably related to making such speech, as well as
19 reasonable transportation from his home, or the capitol, to and from the site of the
20 speaking engagement from the sponsoring group or organization, provided the public
21 speech is given in any state, territory, or commonwealth of the United States, or
22 Canada any country in North America, the territorial waters of Louisiana, or any
23 offshore structure located on the outer continental shelf seaward of such territorial
24 waters and offshore of Louisiana, and provided such member of the legislature, if
25 making the speech outside this state, including the territorial waters thereof, and any
26 offshore structure located on the outer continental shelf seaward of such territorial
27 waters and offshore of Louisiana, files a statement with the Board of Ethics, within
28 sixty days of making such public speech, disclosing the name of the sponsoring group
29 or organization and the amount expended on his behalf by the sponsoring group or

1 organization on food and refreshments, lodging, and transportation. The statement
 2 shall include a certification by the member of the legislature filing it that the
 3 information contained in the statement is true and correct to the best of his
 4 knowledge, information, and belief.

5 ~~(b) For the purposes of this Paragraph, the phrase "public speech" shall mean~~
 6 ~~a speech, or other oral presentation, including a panel discussion, or radio or~~
 7 ~~television appearance before the public at large, or before any civic, political,~~
 8 ~~religious, educational, or eleemosynary group or organization by a member of the~~
 9 ~~legislature in his capacity as a legislator.~~

10 * * *

11 (26)(a) The acceptance by a public servant of anything of economic value as
 12 a gift or gratuity from any person when the value of such gift or gratuity does not
 13 exceed one hundred dollars per event, or two hundred dollars in a calendar year.

14 (b) The acceptance by a public servant of ~~for~~ flowers or a donation to an
 15 organization qualified for an exemption from federal income tax under Section 501
 16 of the Internal Revenue Code in connection with in sympathy of the death of a
 17 member of the immediate family of a public servant provided that the donation does
 18 not exceed two hundred dollars or that the market value of the flowers does not
 19 exceed two hundred dollars.

20 (c) The acceptance by a public servant of seasonal or holiday foods or non-
 21 alcoholic beverages that commemorate a religious or state holiday if the value of
 22 such foods and beverages does not exceed two hundred dollars per event or two
 23 hundred dollars in a calendar year.

24 ~~(b)~~ (d) The acceptance by a public servant employed by a prekindergarten,
 25 kindergarten, elementary, or secondary school of anything of economic value as a gift
 26 from or on behalf of a student or former student when the value of the gift does not
 27 exceed twenty-five dollars and the aggregate value of all gifts from or on behalf of
 28 any one person pursuant to this Subparagraph does not exceed seventy-five dollars
 29 in a calendar year.

* * *

(48) A member of the Louisiana Racing Commission or the Executive Director of the Louisiana Racing Commission from being an owner of a racehorse which participates in any race meeting licensed by the Louisiana Racing Commission or from being an owner of a horse that sired or bred a racehorse that participates in a race meeting licensed by the Louisiana Racing Commission, or from participating in a breeder or stallion award.

* * *

§1124. Financial disclosure; statewide elected officials; certain public servants

* * *

C. The financial statement required by this Section shall be filed on a form prescribed by the Board of Ethics and shall include the following information:

(1) The full name and ~~residence~~ mailing address of the individual who is required to file.

(2) The full name of the individual's spouse, if any, and the spouse's occupation ~~and principal business address.~~

* * *

E. The financial statement shall be filed electronically with the Board of Ethics through the Board of Ethics Computerized Data Management System and shall be accompanied by the certification of the individual filing it certifying that the information contained in the financial statement is true and correct to the best of his knowledge, information, and belief. The financial statement shall be a public record, subject to the provisions of Chapter 1 of Title 44 of the Louisiana Revised Statutes of 1950.

* * *

§1124.2. Financial disclosure; certain elected officials; members of certain boards and commissions; ethics administrator

* * *

1 D. When an amount is required to be disclosed pursuant to this Section, it
2 shall be sufficient to report the amount by the following categories:

- 3 (a) Category I, less than ~~\$5,000~~ \$10,000.
- 4 (b) Category II, ~~\$5,000-\$24,999~~ \$10,000 to \$49,999.
- 5 (c) Category III, ~~\$25,000-\$100,000~~ \$50,000 to \$100,000.
- 6 (d) Category IV, more than \$100,000.

7 E. The financial statement shall be filed electronically with the Board of
8 Ethics through the Board of Ethics Computerized Data Management System and
9 shall be accompanied by the certification of the individual filing it certifying that the
10 information contained in the financial statement is true and correct to the best of his
11 knowledge, information, and belief. The financial statement shall be a public record,
12 subject to the provisions of Chapter 1 of Title 44 of the Louisiana Revised Statutes
13 of 1950.

14 * * *

15 §1124.3. Financial disclosure; certain elected officials, voting districts of under five
16 thousand

17 * * *

18 C. The financial statement required by this Section shall be filed on a form
19 prescribed by the Board of Ethics and shall include the following information:

20 (1)(a) Any and all income exceeding ~~two hundred fifty~~ five hundred dollars
21 received during the immediately preceding calendar year by the individual who is
22 required to file or the spouse of such individual which is received from any of the
23 following:

24 * * *

25 (b) Any and all income exceeding ~~two hundred fifty~~ five hundred dollars
26 received during the immediately preceding calendar year by any business in which
27 the individual required to file or his spouse, individually or collectively, owns at least
28 ten percent, which is received for services performed for or in connection with a
29 gaming interest as defined in R.S. 18:1505.2(L)(3)(a).

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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§1124.4. Penalties

D.

(3)(a) Findings pursuant to this Section shall be made by the board at a public hearing conducted for that purpose.

(b) Any public hearing conducted pursuant to this Section shall be conducted in accordance with the provisions of this Chapter no earlier than thirty days after the person who is the subject of the hearing has received notice by certified mail advising the person of the hearing date, time, and location, and advising the person that he may exercise his constitutional right to counsel and may exercise his constitutional right not to incriminate himself.

(c) The board shall provide the person who is the subject of the hearing, no later than fifteen days before the hearing, with a copy of the report of the staff to the board regarding the person's alleged failure to file or failure to timely file, a copy of all information gathered by the board related to the alleged failure to file or failure to timely file, and a copy of all potential exhibits to be introduced at the hearing.

(d) The person who is the subject of the hearing shall have the power and authority to subpoena witnesses and compel the production of books, records, and papers.

(e) The board shall, before the hearing, grant the person subject to the hearing an opportunity to submit a brief statement in response to the report of the staff.

(f) The board shall, at the election of the person subject to the hearing, permit the person to appear for the hearing or to address the board in person, by telephone, or by videoconference.

(g) The board shall, after the hearing, grant the person subject to the hearing an opportunity to address, orally or in writing, the final report of the staff, the

1 evidence presented at the hearing, and any factual or legal issues relevant to the
2 alleged violation by the person subject to the hearing.

3 (h) The hearing shall be recorded at the expense of the board.

4 * * *

5 §1124.6. Disclosure statements; certain agency heads and appointees to state boards
6 and commissions

7 A.

8 * * *

9 (2) Each person who is appointed to a state board or commission, who is
10 subject to annual financial statements as required by R.S. 42:1124.2.1, and who made
11 a contribution or loan in excess of ~~one~~ two thousand dollars to a campaign of the
12 official who appointed him shall disclose to the board his date of appointment, the
13 amount of any compensation provided for such position, the name of the candidate
14 to whom a contribution or loan was made, and the amount of any such contribution
15 or loan. Each such person shall include the information required by this Subsection
16 on the annual financial statement that is required by this Part.

17 * * *

18 §1134. Powers, duties, and responsibilities of the board

19 * * *

20 I. The board shall provide semi-annual reports and information to the
21 governor, the legislature, and to governing authorities concerning the administration
22 of this Chapter within its jurisdiction and conflict of interest matters generally. The
23 board shall include in its reports all of the following:

24 (1) Aggregated data regarding investigations, including:

25 (a) Aggregated data regarding the number of complaints received.

26 (b) Aggregated data regarding the number of investigations.

27 (c) Aggregated data regarding the number and value of penalties and fees.

28 (d) Aggregated data regarding the number and value of penalty and fee
29 waivers.

1 Board of Ethics, or may, by a two-thirds majority vote of its membership, consider
2 any matter which it has reason to believe may be a violation of this Chapter.
3 Additionally, the board may consider any matter which it has reason to believe may
4 be a violation of any other provision of law within its jurisdiction as provided in this
5 Subsection or as may be otherwise provided by law. The board, after considering the
6 matter, shall determine by a two-thirds majority vote of its membership whether there
7 is reason to believe that a respondent has committed a violation of this Chapter
8 warranting an investigation in consideration of the following:

9 (i) Whether the respondent has cured any potential violation of this Chapter
10 and whether the respondent committed the violation intentionally or recklessly.

11 (ii) Whether, based on the information available the board, the board will
12 more likely than not find a significant violation of this Chapter.

13 (iii) Whether investigating the potential violation of this Chapter would
14 support the purposes of this Chapter.

15 (iv) Whether the information available to the board is sufficient to support
16 any further investigation.

17 (v) The expense likely to be incurred by both the respondent and the board
18 as a result of the investigation, weighed against the severity of the potential violation.

19 (b)(i) If the board determines that an investigation is warranted, a ~~A~~ certified
20 copy of the vote; a detailed explanation of the matter; including the specific factual
21 allegations upon which the board based its decision to investigate; and a copy of any
22 complaint received by the board, from which the name of the complainant has been
23 redacted, shall be sent by certified mail to the accused and the complainant within ten
24 days after the vote occurs or after receipt of a signed sworn complaint.

25 (ii) The detailed explanation of the matter shall be prefaced by advising the
26 respondent that he may exercise his constitutional right to counsel and may exercise
27 his constitutional right not to incriminate himself.

28 (c) The chairman of the Board of Ethics may assign a matter to the
29 appropriate panel for investigation, in which case the panel shall conduct a private

1 investigation to elicit evidence upon which the panel shall determine whether to
2 recommend to the board that a public hearing be conducted or that a violation has not
3 occurred.

4 ~~(b)~~(d) The board shall provide a person who has filed a non-sworn complaint
5 with only a notification stating the final disposition of the complaint.

6 * * *

7 C.(1)(a) Upon ~~receiving a sworn complaint or voting to consider a matter~~
8 determining that an investigation is warranted as provided in Subsection B of this
9 Section, a private investigation shall be conducted to elicit evidence upon which the
10 Board of Ethics shall determine whether a public hearing should be conducted or that
11 a violation has not occurred. The accused and the complainant shall be given written
12 notification of the commencement of the investigation not less than ten days prior to
13 the date set for the commencement of the investigation.

14 (b)(i) For purposes of an investigation, the Board of Ethics or the ethics
15 administrator may require the submission under oath of written reports or answers
16 to questions, or subpoena or compel the production of any books, records, and papers
17 which the board or the ethics administrator deems relevant or material to the
18 investigation or hearing. The board or ethics administrator shall require the
19 submission under oath of written reports or answers to questions, or subpoena or
20 compel the production of any books, records, and papers only upon a finding that the
21 importance of the information sought outweighs the burden of producing the
22 information.

23 (ii) The ethics administrator shall provide to the Board of Ethics a monthly
24 report of the number of subpoenas issued by the board and the ethics administrator
25 in the prior month.

26 (c) The subject of the investigation or any witness upon whom written
27 questions have been propounded shall serve a copy of the written answers and
28 objections, if any, within thirty days after the service of the questions.

1 (d) The subject of the investigation or any witness upon whom a subpoena
2 has been served to compel the production of books, records, or papers shall serve a
3 copy of the responses and objections, if any, within thirty days after the service of the
4 subpoena.

5 (e) The subject of the investigation or any witness upon whom a subpoena
6 has been served requiring the submission under oath of written reports shall produce
7 the written reports within thirty days after the service of the subpoena.

8 (f) The Board of Ethics shall promptly provide the subject of the
9 investigation with a copy of questions propounded or subpoenas served upon any
10 witness, as well as any answers, objections, books, records, or papers, or written
11 reports produced, or transcripts or recordings of answers to questions produced under
12 oath.

13 (g) Any demand, request, or subpoena propounded upon the subject of the
14 investigation or witness, orally or in writing, shall be prefaced by advising the subject
15 of the investigation or witness that he may exercise his constitutional right to counsel
16 and may exercise his constitutional right not to incriminate himself.

17 (h) An oral examination under oath shall be conducted under conditions
18 agreed upon by the subject of the investigation or witness, including that the
19 examination occur in a certain place, at a certain time, or by phone or
20 videoconference, and with counsel present, that the examination be transcribed or
21 audio recorded, and that the subject of the investigation or witness promptly receive
22 a copy of the transcript or audio recording.

23 (i) The Board of Ethics shall adopt rules providing for discovery consistent
24 with Chapter 3 of Title III of Book II of the Code of Civil Procedure and as
25 constrained by this Subsection, to the extent and in the manner appropriate to its
26 proceedings.

27 ~~(2) After the investigation has been completed, the Board of Ethics shall~~
28 ~~determine whether a public hearing should be conducted to receive evidence and to~~
29 ~~determine whether any violation of any provision of law within its jurisdiction has~~

1 ~~occurred. If a violation has not occurred, the defendant and the complainant shall be~~
2 ~~notified within ten days of the ruling.~~(a) The Board of Ethics shall, after the
3 investigation and prior to determining whether a hearing should be conducted, grant
4 the person subject to the investigation an opportunity to address, orally or in writing,
5 the final report of the staff, the information presented at the hearing, and any factual
6 or legal issues relevant to the alleged violation by the person subject to the
7 investigation.

8 (b) The Board of Ethics shall, at the election of the person subject to the
9 investigation, permit the person to address the board in person, by telephone, or by
10 videoconference.

11 (3)(a) If the board determines following an investigation that a public hearing
12 should be conducted, the board shall issue charges. A public hearing shall be
13 conducted to receive evidence relative to the facts alleged in the charges and to
14 determine whether any violation of any provision of law within the jurisdiction of the
15 board has occurred. The public hearing on such charges shall be conducted by the
16 Ethics Adjudicatory Board in accordance with the Administrative Procedure Act and
17 this Part.

18 (b) The charges issued by the board shall contain each of the following:

19 (i) A plain, concise, and definite written statement of the essential facts
20 constituting the alleged violation.

21 (ii) The official or customary citation of the statute which is alleged to have
22 been violated.

23 (iii) The date of the meeting at which the board voted to issue charges.

24 (iv) The name of the trial attorney, if designated.

25 (v) A written statement advising the respondent that he may exercise his
26 constitutional right to counsel and may exercise his constitutional right not to
27 incriminate himself.

28 D.(1)(a) In case of contumacy or refusal to obey a subpoena issued to any
29 public servant or other person, any district court of this state within the jurisdiction

1 of which said public servant or other person resides, upon application by the Board
2 of Ethics shall have jurisdiction to issue to such public servant or other person an
3 order requiring him to produce books, records, or papers, or to require the submission
4 under oath of written reports or answers to questions concerning the matter under
5 consideration.

6 (b) The district court shall only subpoena or compel the production of books,
7 records, or papers, or require the submission under oath of written reports or answers
8 to questions, upon a finding that the importance of the information sought outweighs
9 the burden of producing the information.

10 (2) Upon motion by the subject of the investigation, a prospective witness,
11 or any person whose books, records, papers, or other documents are the subject of
12 any subpoena, and for good cause shown, any district court within the jurisdiction of
13 which the movant resides may make any order which justice requires to protect such
14 person from annoyance, embarrassment, oppression, or undue burden or expense,
15 including one or more of the following:

16 (a) That the inquiry not be had.

17 (b) That the inquiry may be had only upon specified terms and conditions
18 including a designation of the time and place.

19 (c) That the inquiry shall be conducted by a method other than selected by the
20 Board of Ethics.

21 (d) That certain matters not be inquired into or that the scope of the inquiry
22 be limited to certain matters.

23 (e) That the inquiry be conducted with no one present except persons
24 designated by the court.

25 (3) The Board of Ethics shall waive, upon written request by the affected
26 party, any right to be served by any means other than email transmission, and shall
27 provide an email address at which the Board of Ethics shall accept service.

28 (4) Any failure to obey such order of the court may be deemed by the district
29 court to be contempt of court.

1 (5) The district court, upon denying any application made pursuant to this
2 Subsection, may order the movant to pay the court costs and attorney's fees of the
3 prevailing party.

4 E.(1) After the investigation has been completed, the Board of Ethics shall,
5 by vote of two-thirds of its members, determine whether a public hearing before the
6 Ethics Adjudicatory Board should be conducted to receive evidence and to determine
7 whether any violation of any provision of law within its jurisdiction has occurred.

8 (2) Before the board determines whether a public hearing should be
9 conducted to receive evidence, the board shall:

10 (a) Provide the subject of the investigation with the final report of the staff
11 of the board to the board regarding the investigation of the alleged violation by
12 subject of the investigation.

13 (b) Provide the subject of the investigation with an opportunity to submit a
14 brief response to the final report of the staff.

15 (c) Provide the subject of the investigation with an opportunity to briefly
16 make a statement before the Board of Ethics to address the final report of the staff
17 and any factual or legal issues relevant to the alleged violation by subject of the
18 investigation. Such statements may be presented in person, by telephone, or by
19 videoconference during executive session of the Board of Ethics, unless the subject
20 of the investigation requests that his comments be made in open session. Statements
21 by the subject of the investigation before the Board of Ethics in executive session
22 shall not be recorded.

23 (3) If the Board of Ethics determines a violation has not occurred, the subject
24 of the investigation and the complainant shall be notified within ten days of the
25 board's determination.

26 ~~(e)~~ F. If the Board of Ethics does not issue charges within one year from the
27 date upon which a sworn complaint is received or, if no sworn complaint was
28 received, within one year from the date the board voted to consider the matter, the
29 matter shall be dismissed. The one-year period ~~shall be~~ is prescriptive. The

1 prescriptive period may be suspended, interrupted, or renounced. The prescriptive
2 period shall be suspended by any of the following:

3 (†) (1) The person who is the subject of the investigation or complaint files
4 any pleading or proceeding in a state or federal court or with the Ethics Adjudicatory
5 Board related to the matter under investigation that has the effect of delaying or
6 impeding the proceeding.

7 (†) (2) The person who is the subject of the investigation or complaint fails
8 to comply with a subpoena or other request from the Board of Ethics for information
9 related to or in connection with the investigation of the Board of Ethics.

10 (†) (3) The person who is the subject of the investigation or complaint may
11 consent in writing to the suspension of the prescriptive period.

12 (†) (4) Determinations concerning the prescriptive period provided for in
13 ~~Subparagraph (c) of this Paragraph~~ this Subsection shall be made by the Ethics
14 Adjudicatory Board.

15 (†) G. The Board of Ethics shall consider offering a consent opinion to each
16 person who is the subject of an investigation.

17 * * *

18 §1141.2. Ethics Adjudicatory Board

19 A. The director of the division of administrative law shall, at a public
20 meeting of the Board of Ethics in December of the year preceding the year in which
21 the terms are to begin, randomly select seven administrative law judges from among
22 those who meet the qualifications to comprise the Ethics Adjudicatory Board. The
23 last selected judge shall serve as the alternate. Members of the adjudicatory board
24 shall have not less than two years of experience as an administrative law judge ~~or~~
25 with the division of administrative law and not less than ten years experience in the
26 practice of law.

27 * * *

28 §1141.4. Notice and procedure

29 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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(2) ~~The Board of Ethics and the Ethics Adjudicatory Board shall adopt rules providing for discovery consistent with Chapter 3 of Title III of Book II of the Code of Civil Procedure, to the extent and in the manner appropriate to its proceedings.~~
The person who is subject of the hearing shall, no later than fifteen days before the hearing, receive a copy of the final report of the staff of the Board of Ethics regarding the investigation of the alleged violation by the person subject to the hearing, a copy of all evidence gathered by the board, and a copy of all potential exhibits to be introduced at the hearing.

(3) Before a hearing, the Ethics Adjudicatory Board shall grant the person subject to the hearing an opportunity to submit a brief response to the final report of the staff.

C. In case of contumacy or refusal to obey a subpoena to appear at a hearing issued to any public servant or other person, any district court of this state within the jurisdiction ~~of which the inquiry is carried on,~~ or within which said public servant or other person ~~is found,~~ resides, or or if the other person does not reside in this state, within the jurisdiction of which the person transacts business, upon application by the Board of Ethics or the Ethics Adjudicatory Board shall have jurisdiction to issue to such public servant or other person an order requiring him to appear before the board or its staff and to produce evidence, if so ordered, or to give testimony concerning the matter under consideration. Any failure to obey such order of the court may be deemed by the court as to be contempt of the court.

* * *

E. Any public servant or other person who is the subject of any hearing may have legal counsel, cross-examine witnesses, call witnesses, subpoena and compel witnesses, subpoena and compel the production of books, records, and papers, and present evidence in his own behalf. If a person receives an advisory opinion from the

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Board of Ethics and he acts based upon such advisory opinion, the advisory opinion
2 shall be admissible as evidence at the hearing.

3 F. Any public servant or other person ~~who is the subject of any investigation~~
4 who is not represented by counsel shall be advised of his right to have an attorney
5 present before any hearing commences.

6 G. Any witness may be accompanied by counsel at investigations or
7 hearings, which counsel may advise the witness of his rights, ~~subject to reasonable~~
8 ~~limitations to prevent obstruction of or interference with the orderly conduct of the~~
9 ~~investigation or hearing~~. His counsel may also submit proposed questions to be
10 asked for his client.

11 H. A hearing transcript shall be provided to the subject of an investigation
12 or hearing upon his request at the expense of the Board of Ethics. Any witness at any
13 investigation or hearing, subject to rules and regulations promulgated by the Board
14 of Ethics or Ethics Adjudicatory Board, shall be entitled to a copy of his testimony
15 promptly upon written demand, ~~when it becomes important and relevant in a criminal~~
16 ~~proceeding or subsequent investigation or hearing, provided that the furnishing of~~
17 ~~such copy will not prejudice the public safety or security~~.

18 * * *

19 Section 2. R.S. 42:1141.4(D)(2) is hereby repealed in its entirety.

20 Section 3. The Louisiana State Law Institute is authorized and directed to arrange
21 in alphabetical order and renumber the definitions contained in R.S. 42:1102 and to correct
22 any cross-references to the renumbered paragraphs if necessary, consistent with the
23 provisions of this Act.

24 Section 4. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 397 Original

2025 Regular Session House and Governmental Affairs

Abstract: Provides for revisions to the Code of Governmental Ethics.

Definitions

Present law (R.S. 42:1102(22)) defines "thing of economic value" and provides that certain items are, and are not, considered a thing of economic value for purposes of limitations imposed by present law (Code of Governmental Ethics), including reasonable transportation in certain circumstances. Proposed law retains present law.

Present law provides that "reasonable transportation" for purposes of legislators and employees in the legislative branch of state government when organized primarily for educational or for informational purposes, including on-site inspections, shall include transportation to any point within the boundaries of this state, including the territorial waters thereof, and to any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of La. Requires prior approval from the presiding officer of the respective house wherein such legislative employee is employed.

Proposed law retains present law as it relates to employees in the legislative branch of state government except to include transportation to any state, territory, or commonwealth of the U.S.

For purposes of legislators, proposed law repeals present law and instead provides that "reasonable transportation" when organized primarily for educational or for informational purposes, including on-site inspections, shall include transportation to any state, territory, or commonwealth of the U.S., to the territorial waters of La., and to any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of Louisiana. Further provides that when organized primarily for making a public speech, reasonable transportation includes transportation from his home, or the capitol, to and from the site of the speaking engagement from the sponsoring group or organization, provided the public speech is given in any state of the U.S. or any country in North America. Present law further provides that reasonable transportation, when organized primarily for entertainment purposes incidental to food, drink, or refreshments, shall include transportation to any point within this state that is within a fifty-mile radius of the perimeter of the legislator's district, or within a fifty-mile radius of the perimeter of the parish wherein the state capitol is located. Proposed law retains present law.

Present law provides that for employees in the legislative branch of state government, reasonable transportation shall only be for official legislative purposes. Proposed law repeals present law.

Present law (R.S. 42:1123(16)) provides that "public speech" shall mean a speech, or other oral presentation, including a panel discussion, or radio or television appearance before the public at large, or before any civic, political, religious, educational, or eleemosynary group or organization by a member of the legislature in his capacity as a legislator. Proposed law retains present law except to provide that instead of eleemosynary groups, the provision applies to appearances before an organization qualified for an exemption from federal income tax under Section 501 of the Internal Revenue Code.

Payments made by nonpublic sources

Present law (R.S. 42:1111) provides that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position. Present law provides for exceptions.

Proposed law retains present law except to provide that any compensation paid to any public school teacher, administrator, or supervisor, including kindergarten through the twelfth grade and postsecondary education instructional faculty and administrators for compensation from any agency participating in a state or statewide public retirement system shall be deemed as compensation from his governmental entity to which he is duly entitled. Such compensation must follow all rules regarding secondary compensation related to the public retirement system in which the public employee is participating. Such services shall be deemed to be performed for the benefit of his governmental entity, although the time spent in such matters shall not be deemed as hours worked for his governmental entity.

Proposed law further provides that any award or stipend provided to any public school teacher or administrator for his participation with any nonprofit provider of teacher or public-school administrator certification, shall be deemed as compensation from his governmental entity to which he is duly entitled. The services for which the award or stipend is received shall be deemed to be performed for the benefit of the public school.

Proposed law further provides that any stipend provided to any public school athletic trainer for services performed for the benefit of his governmental entity paid for by a private entity that provides for the health and safety of student athletes and that does not receive third party reimbursements shall be deemed as compensation from his governmental entity to which he is duly entitled.

Prohibited contractual arrangements

Present law (R.S. 42:1113) prohibits certain public servants from bidding on or entering into any contract with state government. Present law provides exceptions for certain contracts.

Proposed law retains present law and further provides an exception for renewals of contracts containing an option to extend the contract under certain circumstances.

Limitations of food, drink, and refreshments

Present law (R.S. 42:1115.1) limits the ability of certain persons to offer food, drink, and refreshments to public servants in certain circumstances and provides exceptions.

Proposed law retains present law and provides an additional exception allowing for public servants to participate at an event hosted by certain charitable organizations held for the purpose of educating the public servant on issues that have come before, or might reasonably be expected to come before the public servant, provided that at least 10 persons associated with the organization are invited to the gathering.

Acceptance of reasonable transportation

Present law (R.S. 42:1115.2) authorizes public servants to accept complimentary reasonable transportation or reimbursement of such transportation in certain circumstances. Further requires the public servant to make certain disclosures regarding accepted transportation including the amount expended on his behalf for such transportation.

Proposed law retains present law and further provides for the method of calculating the amount expended on his behalf for air transportation by private aircraft.

Exceptions to the Code of Governmental Ethics

Present law (R.S. 42:1123) provides for exceptions to the Code of Governmental Ethics, including authorization for a member of the legislature making a public speech to accept food, refreshments, and lodging reasonably related to making such speech, as well as reasonable transportation from his home, or the capitol, to and from the site of the speaking engagement from the sponsoring group or organization, provided the public speech is given in any state of the U.S. or Canada and provided such member of the legislature files a statement with the Board of Ethics disclosing certain information.

Proposed law retains present law and further provides for authorization to accept food, refreshments, and lodging reasonably related to making a speech in any territory or commonwealth of the U.S., country in North America, or the territorial waters of Louisiana, and any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of La.

Proposed law provides that the present law requirement to disclose certain information only applies if the member of the legislature is making the speech outside La., the territorial waters thereof, or any offshore structure located on the outer continental shelf seaward of the territorial waters and offshore of La.

Present law authorizes the acceptance by a public servant of anything of economic value as a gift or gratuity from any person when the value of such gift or gratuity does not exceed \$100 per event. Proposed law further provides that the public servant may not receive gifts valued more than \$200 in a calendar year.

Present law authorizes acceptance by a public servant of flowers or donations in connection with the death of a family member. Proposed law further provides that the donation may only be to a 501(c)(3) charitable organization and provides that the donation or flowers may not exceed the value of \$200.

Proposed law authorizes acceptance by a public servant of seasonal or holiday foods and non-alcoholic beverages that commemorate a religious or state holiday not to exceed \$200 in value per event and per calendar year.

Proposed law authorizes a member or the executive director of the La. Racing Commission to own a racehorse which participates in any race meeting licensed by the commission or a horse that sired or bred a racehorse that participates in a race meeting licensed by the commission, or to participate in a breeder or stallion award.

Financial disclosures

Present law (R.S. 42:1124) provides for financial disclosures required of statewide elected officials, department secretaries, and other certain public servants (Tier 1). Proposed law retains present law except to require that Tier 1 filers disclose their mailing address, rather than residential address, and to eliminate the requirement that they disclose their spouse's business address.

Proposed law further requires Tier 1 filers to file their financial statements electronically.

Present law (R.S. 42:1124.2) provides for financial disclosures of certain public servants including legislators, members of the Board of Ethics, State Board of Elementary and Secondary Education, and the Board of Pardons, among others (Tier 2) and provides that amounts may be disclosed by the following categories:

- (a) Category I, less than \$5,000. Proposed law increases the value to less than \$10,000.

- (b) Category II, \$5,000-\$24,999. Proposed law increases the value to \$10,000 to \$49,999.
- (c) Category III, \$25,000-\$100,000. Proposed law increases the value to \$50,000 to \$100,000.
- (d) Category IV, more than \$100,000. Proposed law retains present law.

Proposed law further requires Tier 2 filers to file their financial statements electronically.

Present law (R.S. 42:1124.3) provides for financial disclosures of elected officials of voting districts with a population under 5,000, among others (Tier 3) and requires disclosure of income received from certain sources. Proposed law increases the minimum value of reportable income from \$250 to \$500.

Present law (R.S. 42: 1124.6) requires certain disclosures of persons appointed to a state board or commission (Tier 2.1), who made a contribution or loan to a campaign of the official who appointed him. Proposed law increases the threshold amount of the contribution or loan requiring disclosure from \$1,000 to \$2,000.

Assessment of penalties

Present law (R.S. 42:1124.4) provides for the assessment of penalties by the Board of Ethics for failure to file or failure to timely file a personal financial disclosure.

Proposed law provides that the public hearings related to the assessment of penalties shall be conducted no earlier than 30 days after the subject of the hearing has received notice of the hearing. Further requires the board to provide the person who is the subject of the hearing, no later than 15 days before the hearing, with a copy of the staff report regarding the investigation of the alleged violation, a copy of all information gathered by the board, and a copy of all potential exhibits to be introduced at the hearing. Provides that the person shall have an opportunity to submit a brief response to the report and to address the board.

Proposed law further provides that the person who is the subject of the hearing shall have the power and authority to subpoena witnesses and compel the production of books, records, and papers.

Proposed law requires that the hearing be recorded at the expense of the board.

Duties of the Board of Ethics

Present law (R.S. 42:1134) requires the board to provide reports and information to the governor, the legislature, and to governing authorities. Proposed law provides that such reports shall be made semi-annually and contain certain information.

Present law requires the board to conduct educational activities, seminars, and publish appropriate materials which provide instruction and information concerning the Campaign Finance Disclosure Act which shall be available to public servants in all state and local agencies, persons who do business with such agencies, candidates, lobbyists, and any other interested persons. Requires the board to make available to all interested persons via the Internet training and educational materials pertaining to the Campaign Finance Disclosure Act.

Proposed law retains present law and additionally requires the board to conduct educational seminars specifically designed to educate persons involved in filing campaign finance disclosures regarding the Campaign Financial Disclosure Act. Requires the board to make reasonable efforts to assure that the seminars qualify for continuing legal education credits and continuing education credits for certified public accountants.

Investigations and hearings conducted by the Board of Ethics

Present law (R.S. 42:1141) provides for the Board of Ethics to consider complaints concerning a violation of the Code of Governmental Ethics.

Proposed law retains present law and requires the board to, after consideration of a complaint, determine by a two-thirds vote whether there is reason to believe that a respondent has committed a violation warranting an investigation based upon specific findings prescribed by proposed law.

Proposed law requires the board to give a respondent notice of his right to counsel and right not to incriminate himself.

Proposed law authorizes and provides procedures for the issuance of subpoenas during an investigation. Authorizes the Board of Ethics or the ethics administrator to require submission under oath or subpoena the production of books, records, and papers deemed relevant or material to the investigation only upon a finding that the importance of the information sought outweighs the burden of producing the information. Requires the ethics administrator to provide the Board of Ethics with a monthly report of all subpoenas issued.

Proposed law requires the subject of the investigation or any witness to produce the compelled or subpoenaed responses within 30 days after the service thereof and requires the Board of Ethics to promptly provide a copy of all questions or subpoenas submitted to any witness and the responses thereto to the subject of the investigation. Provides that oral examinations shall be made under conditions agreed upon by the subject of the investigation or witness.

Proposed law provides for the Board of Ethics to file a motion with the district court to require a public servant or other person to comply with a subpoena, subject to contempt of court. Further authorizes the subject of the investigation or prospective witness to file a motion with the district court to protect such person from annoyance, embarrassment, oppression, or undue burden or expense related to a subpoena issued by the Board of Ethics or ethics administrator, subject to contempt of court. Authorizes the district court, upon denying any such application, to order the movant to pay the court costs and attorney's fees of the prevailing party.

Proposed law requires the Board of Ethics to, after the investigation and prior to determining whether a hearing should be conducted, grant the person subject to the investigation an opportunity to address, orally or in writing, the final report of the staff, the information presented at the hearing, and any factual or legal issues relevant to the alleged violation by the person subject to the investigation.

Following an investigation, present law authorizes the Board of Ethics or the Ethics Adjudicatory Board to conduct hearings.

Proposed law retains present law and requires the Board of Ethics to determine, by a two-thirds vote whether to conduct a public hearing based upon specific findings prescribed by proposed law. Requires the Board of Ethics to provide the subject of the investigation with the final report regarding the investigation and an opportunity to submit a brief response and address the board in regard to the final report prior to voting on whether to conduct a public hearing.

Present law (R.S. 42:1141.2) provides that an administrative law judge shall have at least two years of experience as an administrative law judge or, alternatively, not less than 10 years experience in the practice of law. Proposed law instead provides that a judge shall have at least two years of experience as a administrative law judge with the division of administrative law in addition to having 10 years experience in the practice of law in order to be eligible to serve on the Ethics Adjudicatory Board.

Present law (R.S. 42:1141.4) provides for notice and procedure of hearings conducted by the Board of Ethics and Ethics Adjudicatory Board.

Proposed law retains present law and requires the Board of Ethics to provide certain information to the subject of the hearing and prescribes the right of the subject of the hearing to submit a response to the final report regarding the investigation.

Present law provides for the Board of Ethics to file a motion with the district court to require a public servant or other person to comply with a subpoena. Proposed law limits present law provision to only apply for subpoenas to appear at a hearing.

Present law provides that motions to enforce a subpoena may be filed in the district court within which the public servant is found, resides, or transacts business. Proposed law instead provides for such motions to be filed where the person resides or, if the person does not reside in the state, where he transacts business.

Present law authorizes public servants and other persons subject to a hearing to have legal counsel, cross-examine witnesses, call witnesses, and present evidence on his own behalf. Proposed law retains present law and further authorizes such persons to subpoena and compel witnesses and the production of books, records, and papers.

Proposed law requires that a hearing transcript be provided to the subject of an investigation or hearing upon his request at the expense of the Board of Ethics.

Present law provides that any witness at any investigation or hearing shall be entitled to a copy of his testimony promptly upon written demand when it becomes important and relevant in a criminal proceeding or subsequent investigation or hearing, provided that the furnishing of such copy will not prejudice the public safety or security. Proposed law instead provides that a witness is entitled to a copy of his testimony without requiring that it be important or relevant in a criminal proceeding or subsequent investigation or hearing, provided that the furnishing of such copy will not prejudice the public safety or security.

Present law (R.S. 42:1141.4(D)(2)) provides that if any elected official willfully refuses or fails to appear before the Board of Ethics or the Ethics Adjudicatory Board or any court authorized to conduct any hearing or inquiry or refuses to testify or answer any question specifically, directly, and narrowly relating to the performance of his official duties on the ground that his testimony or answers would tend to incriminate him, or refuses to accept immunity from prosecution on account of any matter about which he may be asked to testify at such hearing or inquiry, such action shall be grounds for the imposition of penalties including censure or a fine of not more than \$10,000.

Proposed law repeals present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26), 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(intro. para.) and (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C), 1141.2(A), and 1141.4(B)(2), (C), and (E) - (H); Adds R.S. 42:1102(24) and (25), 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D) - (G), and 1141.4(B)(3), Repeals R.S. 42:1141.4(D)(2))