

First Extraordinary Session, 2005

HOUSE BILL NO. 99

BY REPRESENTATIVE SALTER

ETHICS/FINANCIAL DISCLOS: Requires elected officials and appointed state officials to disclose information regarding certain contracts and subcontracts (Item #6)

1 AN ACT

2 To enact R.S. 42:1114.3, relative to disclosure of certain contracts; to require elected  
3 officials and appointed state officials to disclose information to the Board of Ethics  
4 regarding the receipt of certain things of value related to certain contracts and  
5 subcontracts; to provide for the content of such disclosure; to provide for penalties;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 42:1114.3 is hereby enacted to read as follows:

9 §1114.3. Disaster or emergency contracts; disclosure

10 A. Each elected official or appointed state official who derives, either  
11 directly, through his spouse, or through a legal entity in which such official or his  
12 spouse owns five percent or more, any thing of economic value through any contract  
13 or subcontract which is related to a gubernatorially declared disaster or emergency  
14 and which the official or his spouse knows or reasonably should know is or may be  
15 funded or reimbursed in whole or in part with federal funds shall disclose the  
16 following as provided in this Section:

17 (1)(a) The name and address of the elected or appointed official and the  
18 office held by such person.

19 (b) If the thing of economic value is derived through the spouse, the name  
20 and address of such person.

1           (2) If through a legal entity, the name and business address of the legal  
2           entity, the percentage of the official's or spouse's ownership interest in the legal  
3           entity, and the position, if any, held by the official or spouse in the legal entity.

4           (3) The nature of the contract or subcontract, including the amount of the  
5           contract or subcontract and a description of the goods or services provided or to be  
6           provided pursuant to the contract or subcontract.

7           (4) The amount of income or value of any thing of economic value derived  
8           through the contract or subcontract by the official or spouse for the previous calendar  
9           year, except as provided in Subsection C of this Section.

10           B. Each elected or appointed official subject to the provisions of this Section  
11           shall file an initial disclosure statement with the Board of Ethics no later than thirty  
12           days after the effective date of this Section or fifteen days after the official, spouse,  
13           or legal entity enters into the contract or subcontract, whichever occurs later. The  
14           initial disclosure statement shall contain all of the information required by  
15           Subsection A of this Section, except that instead of the actual amount of income or  
16           value of any thing of economic value derived from the contract or subcontract by the  
17           official or spouse for the previous calendar year, the official shall include the amount  
18           of income or value of any thing of economic value to be derived or, if the actual  
19           amount is unknown at the time the statement is due, reasonably expected to be  
20           derived from the contract or subcontract for the first calendar year of the contract or  
21           subcontract.

22           C.(1) After filing the initial disclosure statement, the elected or appointed  
23           official shall file the disclosure statements required by this Section with the Board  
24           of Ethics no later than February fifteenth each year and shall include such  
25           information for the previous calendar year.

26           (2) An elected or appointed official subject to the provisions of this Section  
27           shall be required to file the annual disclosure statements required by this Section  
28           until a disclosure statement is filed after the completion of the contract or subcontract

1 subject to disclosure or the person filing the disclosure statements is no longer an  
2 elected or appointed official, whichever occurs first.

3 (3) Annual disclosure statements shall not be required for the receipt of  
4 things of economic value pursuant to contracts or subcontracts entered into prior to  
5 an elected or appointed official taking office; however, if an elected or appointed  
6 official or spouse thereof receives or reasonably expects to receive a thing of  
7 economic value otherwise required to be disclosed by this Section pursuant to the  
8 renewal of such a contract or subcontract occurring after the official takes office,  
9 such official shall file a disclosure statement no later than fifteen days after such  
10 renewal in accordance with this Subsection and annually thereafter in accordance  
11 with this Subsection.

12 (4) All disclosure statements filed pursuant to this Section shall be a matter  
13 of public record.

14 D.(1) Failure to file a statement, failure to timely file a statement, failure to  
15 disclose required information, or filing a false statement shall subject a person  
16 required to file to penalties as provided by this Chapter.

17 (2) In addition to other applicable penalties, whoever fails to file a statement  
18 required by this Section, or knowingly and willfully fails to timely file any such  
19 statement, or knowingly and willfully fails to disclose or to accurately disclose any  
20 information required by this Section shall be assessed a civil penalty in accordance  
21 with R.S. 42:1157 for each day until such statement or the required accurate  
22 information is filed. The amount of the penalty shall be one hundred dollars per day.

23 E. For the purposes of this Section, the term "appointed state official" or  
24 "appointed official" shall mean a person holding an office in any branch of state  
25 government or other position on a state agency, board, or commission or any  
26 executive office of any state agency, board, commission, or department which is  
27 specifically established or specifically authorized by the constitution or laws of this  
28 state or by executive order of the governor and which is filled by appointment or

1 election by an elected or appointed public official or by a governmental body  
2 composed of such officials of this state.

3 Section 2. This Act shall become effective upon signature by the governor or, if not  
4 signed by the governor, upon expiration of the time for bills to become law without signature  
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
7 effective on the day following such approval.

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### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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Salter

HB No. 99

**Abstract:** Requires an elected official or appointed state official to file an initial and an annual disclosure statement with the Board of Ethics when such an official or his spouse derives, either directly or through a legal entity in which he or his spouse owns 5% or more, any thing of economic value through a contract or subcontract which is related to a gubernatorially declared disaster or emergency and which the official or spouse knows or reasonably should know is funded or reimbursed with federal funds.

Proposed law requires an elected or appointed official to disclose certain specific information regarding the receipt (either directly, through his spouse, or through a legal entity in which he or his spouse owns 5% or more) of any thing of economic value through a contract or subcontract which is related to a gubernatorially declared disaster or emergency and which the official or his spouse knows or reasonably should know is or may be funded or reimbursed in whole or in part with federal funds. Proposed law requires the following information to be disclosed to the Board of Ethics (ethics board):

- (1) The official's name, address, and office held and if the thing of economic value is derived through a spouse, the name and address of such person.
- (2) If through a legal entity, the name and business address of the entity, the official's or spouse's ownership interest in the entity, and the position, if any, held by the official or his spouse in the legal entity.
- (3) The nature of the contract or subcontract, including the amount of the contract or subcontract and a description of the goods or services provided or to be provided.
- (4) The amount of income or value of any thing of economic value derived through the contract or subcontract by the official or his spouse for the previous calendar year (except as provided for initial statements).

Proposed law requires an initial disclosure statement containing all of the information specified above to be filed with the ethics board no later than 30 days after the effective date of proposed law or 15 days after the official or legal entity enters into the contract or subcontract, whichever occurs later. Specifies instead of disclosing the actual amount of income or value of any thing of economic value derived from the contract or subcontract for the previous calendar year, the official shall include the amount of income or value of any

thing of economic value to be derived or reasonably expected to be derived from the contract or subcontract for the first calendar year of the contract or subcontract. Proposed law then requires annual disclosure statements to be filed no later than February 15 of each year that include information for the previous calendar year. Proposed law requires such disclosure statements to be filed until a disclosure statement is filed after the completion of the contract or subcontract or until the person filing the statements is no longer an elected or appointed official, whichever occurs first.

Proposed law specifies that annual disclosure statements shall not be required for the receipt of things of economic value pursuant to contracts or subcontracts entered into prior to an elected or appointed official taking office. However, provides that if an elected or appointed official or spouse of such a person receives or reasonably expects to receive a thing of economic value otherwise required to be disclosed by proposed law pursuant to the renewal of such a contract or subcontract occurring after he takes office, such official shall file a disclosure statement no later than 15 days after such renewal in accordance with the provisions of proposed law requiring an initial disclosure statement and annually thereafter in accordance with proposed law. Proposed law specifies that all disclosure statements filed pursuant to proposed law are public records.

Proposed law provides that failure to file a statement, failure to timely file a statement, failure to disclose required information, or filing a false statement shall subject a person to penalties as provided in the Code of Governmental Ethics (present law). Additionally imposes penalties of \$100 per day for failure to file, knowingly and willfully failing to timely file, or knowingly and willfully failing to disclose or accurately disclose any information required for each day until the statement or required accurate information is filed.

Proposed law defines for its purposes the term "appointed state official" or "appointed official" as a person holding an office in any branch of state government or other position on a state agency, board, or commission or any executive office of any state agency, board, commission, or department which is specifically established or specifically authorized by the constitution or laws of this state or by executive order of the governor and which is filled by appointment or election by an elected or appointed public official or by a governmental body composed of such officials of this state.

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

(Adds R.S. 42:1114.3)