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## DIGEST

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HB No. 130

**Abstract:** Provides for certain disclosures and prohibitions relative to the receipt of any thing of economic value by an elected or appointed official which is derived, either directly, through his spouse, or through a legal entity in which the official or his spouse owns 5% or more (and for certain prohibitions more than 25%), through a contract or subcontract which is related to a gubernatorially declared disaster or emergency and which such person 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 (whether directly, through his spouse, or through a legal entity in which the official 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) If an elected or appointed official, the official's name, address, and office held and if through a spouse, the spouse's name and address.
- (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 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 spouse for the previous six months (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. 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 six months, 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 disclosure statements to be filed no later than February 15 of each year that include information for July 1 through December 31 for the

previous calendar year and no later than July 15 to include information for January 1 through June 30 of the current 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.

Proposed law specifies that annual disclosure statements shall not be required for the receipt of things of value pursuant to contracts or subcontracts entered into prior to an official taking office. However, it prohibits the renewal of such a contract or subcontract after the elected official takes office.

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 specifies that the provisions of proposed law above are applicable to the disclosure of things of economic value received prior to the effective date of proposed law and to the disclosure of the receipt of things of economic value received after the effective date of proposed law through a legal entity in which such official or his spouse owns 5% or more but less than a controlling interest. Proposed law specifies that after the effective date of proposed law no elected official, his spouse, or legal entity in which an elected official or his spouse owns a controlling interest (more than 25%-- see definition of controlling interest below) shall enter into any 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 or may be funded or reimbursed in whole or in part with federal funds. Proposed law additionally provides however, that if an elected or appointed official, spouse of an elected or appointed official, or legal entity in which such a person owns a controlling interest enters into any contract or subcontract which is related to a gubernatorially declared disaster or emergency in violation of the prohibition contained in proposed law such official shall be required to disclose such receipt in accordance with proposed law.

Proposed law defines for its purposes the term "appointed official" as a person holding office in any branch of government or other position on an agency, board, or commission or any executive office of any agency, board, commission, or department which is specifically established or specifically authorized by the constitution or laws of this state, by the charter or ordinances of any political subdivision thereof, 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 or of a political subdivision thereof.

Present law (Code of Governmental Ethics) defines "controlling interest" as any ownership in any legal entity or beneficial interest in a trust held by or on behalf of an individual or a member

of his immediate family, either individually or collectively, which exceeds 25% of that legal entity.

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

(Adds R.S. 42:1114.3)