
DIGEST

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Bruneau

HB No. 51

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 10% or more, 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 he or his spouse owns 10% or more) of any thing of economic value valued at more than \$2,500 through a contract or subcontract which is related to a gubernatorially declared disaster or emergency and which the elected official knows or reasonably should know is or may be funded or reimbursed in whole or in part with federal funds. Proposed law prohibits a person from entering into separate contracts or subcontracts valued at \$2,500 or less with the same person or governmental entity or agency thereof as a subterfuge to avoid the disclosure requirements of proposed law. 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 or a legal entity in which the spouse has an ownership interest, 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 no such contract or subcontract shall be renewed after the 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, filing a false statement, or engaging in a subterfuge to avoid the disclosure requirements 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. Specifies that whoever enters into separate contracts or subcontracts valued at \$2,500 or less as a subterfuge to avoid the disclosure requirements of proposed law shall be subject to the penalties of present law (R.S. 42:1153--which provides that the ethics board may impose a fine of up to \$10,000 and other types of penalties).

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. Proposed law specifies that after the effective date of proposed law no elected or appointed official, his spouse, or legal entity in which such an official or his spouse owns 10% or more 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 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)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill.

1. Removes requirement that immediate family members file disclosure statements containing information regarding certain contracts or subcontracts related to a gubernatorially declared disaster or emergency.
2. Additionally requires appointed state officials to disclose the receipt of certain things of economic value as provided in proposed law and defines "appointed state officials" and "appointed official" for such purposes.
3. Regarding the information to be disclosed on information the receipt of certain things of economic value through certain legal entities, changes the ownership interest from 5% or more to 10% or more.
4. Additionally requires an elected or appointed official to disclose the receipt of certain things of economic value received through the spouse of such an official or through any legal entity in which the spouse owns 10% or more.
5. Provides that things of economic value received valued at less than \$2,500 are not required to be disclosed and prohibits a person from entering into separate contracts or subcontracts valued at \$2,500 or less as a subterfuge to avoid the disclosure requirements.
6. Changes the disclosure schedule from a six-month timetable (no later than Feb. 15 of each year, including information for July 1 through Dec. 31 for the previous year and no later than July 15 to include information for Jan. 1 through June 30 of the current year) to an annual requirement, due on Feb. 15 including information for the previous calendar year and changes the proposed income disclosure provision to reflect such change.
7. Changes the proposed prohibition on certain contracts or subcontracts from a prohibition on an elected official, immediate family member of an elected official, or legal entity in which such a person owns 5% or more entering into such contracts or subcontracts to a prohibition on an elected official, appointed official, spouse of such a person, or legal entity in which such a person owns 10% or more entering into such contracts or subcontracts.