

First Extraordinary Session, 2008

HOUSE BILL NO. 1

BY REPRESENTATIVES TUCKER, PETERSON, GALLOT, BARRAS, BARROW, BILLIOT, TIM BURNS, CAZAYOUX, CONNICK, DANAHAY, DOERGE, DOVE, GISCLAIR, HENRY, HILL, HINES, LABRUZZO, LIGI, PEARSON, PONTI, PUGH, RICHARD, ROY, SCHRODER, SMILEY, JANE SMITH, WILLIAMS, ABRAMSON, ANDERS, ARNOLD, AUBERT, AUSTIN BADON, BOBBY BADON, BALDONE, BURFORD, HENRY BURNS, BURRELL, CARTER, CHAMPAGNE, CHANDLER, CHANEY, CORTEZ, CROMER, DIXON, DOWNS, EDWARDS, ELLINGTON, FANNIN, FOIL, FRANKLIN, GEYMANN, GREENE, ELBERT GUILLORY, MICKEY GUILLORY, GUINN, HARDY, HAZEL, HENDERSON, HOFFMANN, HONEY, HOWARD, HUTTER, GIROD JACKSON, MICHAEL JACKSON, JOHNSON, ROSALIND JONES, KATZ, KLECKLEY, LAMBERT, LEBAS, LEGER, LITTLE, LOPINTO, LORUSSO, MARCHAND, MCVEA, MILLS, MONICA, MONTOUCET, MORRELL, MORRIS, NORTON, NOWLIN, PERRY, POPE, RICHARDSON, RICHMOND, RITCHIE, ROBIDEAUX, SIMON, GARY SMITH, PATRICIA SMITH, ST. GERMAIN, TALBOT, TEMPLET, TRAHAN, WADDELL, WHITE, WILLMOTT, AND WOOTON AND SENATORS ADLEY, ALARIO, AMEDEE, BROOME, CASSIDY, CHAISSON, CHEEK, CRAVINS, CROWE, DONAHUE, DORSEY, DUPLESSIS, DUPRE, ERDEY, B. GAUTREAUX, N. GAUTREAUX, GRAY, HEBERT, HEITMEIER, JACKSON, KOSTELKA, LAFLEUR, LONG, MARIONNEAUX, MARTINY, MCPHERSON, MICHOT, MORRISH, MOUNT, MURRAY, NEVERS, QUINN, RISER, SCALISE, SHAW, SHEPHERD, SMITH, THOMPSON, AND WALSWORTH

1 AN ACT

2 To amend and reenact R.S. 42:1124, 1124.1, and 1157(A)(4)(a), to enact R.S. 18:1495.7 and
3 R.S. 42:1124.2, 1124.3, 1124.4, and 1124.5, and to repeal R.S. 18:463(B) and R.S.
4 42:1114.1, relative to financial disclosure; to require certain disclosures by certain
5 public servants; to require certain disclosures by candidates for certain offices; to
6 provide for the content of such disclosures; to provide for certain actions by the
7 Board of Ethics relative to such disclosures; to remove certain specific financial
8 disclosure provisions applicable to members of the legislature; to provide for
9 penalties; to provide relative to the application of certain provisions of the Code of
10 Governmental Ethics; to provide for effectiveness; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 18:1495.7 is hereby enacted to read as follows:

13 §1495.7. Financial disclosure statements

14 A. Any person who becomes a candidate shall file a financial disclosure
15 statement as required by R.S. 42:1124, 1124.2, or 1124.3 for the office for which he

1 is a candidate. If he is undecided as to the office he will seek, he shall file the
 2 statement required by R.S. 42:1124.2. The statement required by this Section shall
 3 be filed within ten days of the day a person becomes a candidate. If the person is
 4 required by R.S. 42:1124, 1124.2, or 1124.3 to file a statement for the office for
 5 which he is a candidate, such filing shall satisfy the requirements of this Section.

6 B. Any person who fails to file or fails to timely file the financial statement
 7 required by Subsection A of this Section, or who fails to disclose or fails to
 8 accurately disclose information required to be included in the financial statement
 9 required by Subsection A of this Section, shall be subject to penalties as provided in
 10 R.S. 42:1124.4.

11 Section 2. R.S. 42:1124, 1124.1, and 1157(A)(4)(a) are hereby amended and
 12 reenacted and R.S. 42:1124.2, 1124.3, 1124.4, and 1124.5 are hereby enacted to read as
 13 follows:

14 §1124. Financial disclosure; governor; certain public servants

15 A. ~~Within thirty days after the date on which the governor enters upon the~~
 16 ~~discharge of his duties as such, and annually thereafter, and within thirty days after~~
 17 ~~the date on which the governor ceases to discharge the duties of his office, he~~ The
 18 following persons shall annually file a financial statement; as provided in Subsection
 19 B of this Section:

- 20 (1) The governor and each person holding statewide elected office.
- 21 (2) The secretary of each of the following departments of state government:
 - 22 (a) The Department of Economic Development.
 - 23 (b) The Department of Culture, Recreation and Tourism.
 - 24 (c) The Department of Environmental Quality.
 - 25 (d) The Department of Health and Hospitals.
 - 26 (e) The Department of Labor.
 - 27 (f) The Department of Natural Resources.
 - 28 (g) The Department of Public Safety and Corrections.
 - 29 (h) The Department of Revenue.
 - 30 (i) The Department of Social Services.

1 (j) The Department of Transportation and Development.

2 (k) The Department of Wildlife and Fisheries.

3 (l) The Department of Veterans Affairs.

4 (3) The executive secretary of the Public Service Commission.

5 (4) The director of state civil service.

6 (5) The superintendent of education, the commissioner of higher education,

7 and the president of each public postsecondary education system.

8 (6) The commissioner of the division of administration.

9 (7) The policy director in the office of the governor.

10 (8) The chief of staff of the office of the governor.

11 (9) The executive counsel to the governor.

12 (10) The deputy chief of staff of the office of the governor.

13 (11) The legislative director in the office of the governor.

14 B. The financial statement required by this Section shall be filed by May
15 fifteenth of each year during which the person holds an office or position included
16 in Subsection A of this Section and by May fifteenth of the year following the
17 termination of the holding of such office or position.

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 for the
20 preceding calendar year:

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

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

25 (3) The name of the employer, job title, and a brief job description of each
26 full-time or part-time employment position held by the individual or spouse.

27 (4)(a) The name, address, brief description of, and nature of association with
28 and the amount of interest in each business in which the individual or spouse is a
29 director, officer, owner, partner, member, or trustee, or in which the individual or

1 spouse, either individually or collectively, ~~holds~~ owns an interest ~~worth in excess of~~
 2 which exceeds ten percent of that business.

3 (b) The name, address, brief description of, and nature of association with
 4 a nonprofit organization in which the individual or spouse is a director or officer.

5 (5)(a) The name, address, type, and amount of each source of income
 6 received during the immediately preceding calendar year by the individual or spouse,
 7 or by any business in which the individual or spouse, either individually or
 8 collectively, owns an interest which exceeds ten percent of that business, which is
 9 received from any of the following:

10 (i) The state or any political subdivision as defined in Article VI of the
 11 Constitution of Louisiana.

12 (ii) Services performed for or in connection with a gaming interest as defined
 13 in R.S. 18:1505.2(L)(3)(a).

14 (b) Notwithstanding the provisions of Subsection D of this Section, amounts
 15 reported pursuant to this Paragraph shall be reported by specific amount rather than
 16 by category of value.

17 ~~(4) (6)~~ (6) The name, address, type, and amount of each source of income, in
 18 excess of one thousand dollars, received by the individual or spouse, and the nature
 19 of the services rendered therefor, if any, not already disclosed under Paragraph (5)
 20 of this Subsection. ~~For income derived from mental health, medical health, or legal~~
 21 ~~services rendered, the individual need only show the amount of the income and not~~
 22 ~~the identity of any individual patient or client.~~ For income derived from professional
 23 or consulting services rendered, including mental health, medical health, or legal
 24 services, when the disclosure of the name or address of any source of income would
 25 be prohibited by law or by a professional code, the individual need only include the
 26 number of clients and amount of income for each of the following applicable
 27 industry types:

28 (a) Utilities:

29 (i) Electric.

30 (ii) Gas.

- 1 (iii) Telephone.
- 2 (iv) Water.
- 3 (v) Cable television companies.
- 4 (b) Transportation:
- 5 (i) Intrastate companies.
- 6 (ii) Pipeline companies.
- 7 (iii) Oil and gas exploration.
- 8 (iv) Oil and gas production.
- 9 (v) Oil and gas retailers.
- 10 (c) Finance and insurance:
- 11 (i) Banks.
- 12 (ii) Savings and loan associations.
- 13 (iii) Loan and/or finance companies.
- 14 (iv) Manufacturing firms.
- 15 (v) Mining companies.
- 16 (vi) Life insurance companies.
- 17 (vii) Casualty insurance companies.
- 18 (viii) Other insurance companies.
- 19 (d) Retail companies:
- 20 (i) Beer companies.
- 21 (ii) Wine companies.
- 22 (iii) Liquor companies.
- 23 (iv) Beverage distributors.
- 24 (e) Associations:
- 25 (i) Trade.
- 26 (ii) Professional.
- 27 (f) Other (specify).
- 28 ~~(5)~~ (7) A brief description, fair market value or use value as determined by
- 29 the assessor for purposes of ad valorem taxes, location, and the address, if any, and
- 30 if no address, the location by state and parish or county, of each parcel of real

1 immovable property, the fair market value of which exceeds two thousand dollars,
 2 in which the individual or spouse, either individually or collectively, has an interest,
 3 provided that the fair market value or use value as determined by the assessor for
 4 purposes of ad valorem taxes, for such parcel of immovable property exceeds two
 5 thousand dollars.

6 ~~(6)~~ (8) A brief description, amount, and date of any purchase or sale,
 7 ~~exchange, donation, gift, or other acquisition or disposition,~~ in excess of one
 8 thousand dollars, of any real immovable property, and of any personally owned tax
 9 credit certificates, stocks, bonds, or commodities futures, or other forms of securities,
 10 including ~~but not limited to~~ any option to acquire ~~and/or~~ or dispose of any
 11 immovable property or of any personally owned tax credit certificates, stocks, bonds,
 12 or commodities futures, other forms of securities, negotiable instruments, movable
 13 or immovable property, or any other interest. Nothing in this Paragraph shall require
 14 the reporting of information concerning variable annuities, variable life insurance,
 15 or variable universal life insurance.

16 (9) The name, brief description, and amount of each investment security
 17 having a value exceeding one thousand dollars held by the individual or spouse,
 18 excluding variable annuities, variable life insurance, variable universal life
 19 insurance, whole life insurance, any other life insurance product, mutual funds,
 20 education investment accounts, retirement investment accounts, government bonds,
 21 and cash or cash equivalent investments. This Paragraph shall not be deemed to
 22 require disclosure of information concerning any property held and administered for
 23 any person other than the individual or spouse under a trust, tutorship, curatorship,
 24 or other custodial instrument.

25 ~~(7)~~ (10) The name, address, ~~and~~ amount, name of guarantor, if any, and
 26 nature of each liability owed to any creditor by the individual or spouse which
 27 exceeds ten thousand dollars, excluding: ~~any~~

28 (a) Any loan secured by ~~a personal motor vehicle, household furniture, or~~
 29 ~~appliances~~ movable property, if such loan does not exceed the purchase price of the
 30 ~~item~~ movable property which secures it.

1 **(b) Any liability, secured or unsecured, which is guaranteed by the individual**
 2 **or spouse for a business in which the individual or spouse owns any interest,**
 3 **provided that the liability is in the name of the business and, if the liability is a loan,**
 4 **that the individual or spouse does not use proceeds from the loan for personal use**
 5 **unrelated to the business.**

6 **(c) Any loan from an immediate family member, unless such family member**
 7 **is a registered lobbyist, or his principal or employer is a registered lobbyist, or he**
 8 **employs or is a principal of a registered lobbyist, or unless such family member has**
 9 **a contract with the state.**

10 **(11) A certification that such individual has filed his federal and state income**
 11 **tax returns, or has filed for an extension of time for filing such tax returns.**

12 ~~E. (1)~~ **D.(1)** When an amount is required to be disclosed pursuant to this
 13 Section, it shall be sufficient to report the amount by category of value. The
 14 categories shall be:

- 15 (a) Category I, less than ~~five thousand dollars~~ **\$5,000**.
- 16 (b) Category II, \$5,000-\$24,999.
- 17 (c) Category III, \$25,000-\$49,999.
- 18 (d) Category IV, \$50,000-\$99,999.
- 19 (e) Category V, \$100,000-\$199,999.
- 20 (f) Category VI, \$200,000 or more.

21 (2) Amounts required to be disclosed shall be valued at actual or fair market
 22 value, whichever is greater.

23 ~~D. E.~~ **E.** The financial statement shall be filed with the Board of Ethics and
 24 shall be accompanied by the affidavit of the ~~public official~~ **individual** filing it
 25 certifying that the information contained in the financial statement is true and correct
 26 to the best of his knowledge, information, and belief. The financial statement shall
 27 be a public record, subject to the provisions of Chapter 1 of Title 44 of the Louisiana
 28 Revised Statutes of 1950.

29 ~~E. F.(1)~~ **F.(1)** For the purposes of this Section, an individual or spouse shall not
 30 transfer any asset, interest, or liability required to be disclosed pursuant to

1 ~~Subsection B~~ of this Section to any person or business for the purpose of avoiding
 2 disclosure, unless such transfer is irrevocable. A transfer shall not be irrevocable if
 3 there exists any contract, letter, counter letter, note, or any other legally enforceable
 4 agreement or authority which if exercised or enforced would require or authorize any
 5 asset, interest, or liability transferred by an individual or spouse to a person or
 6 business to revert back to such individual or spouse.

7 (2)(a) The sale of property subject to owner financing shall not be a transfer
 8 prohibited by Paragraph (1) of this Subsection provided that the income from the sale
 9 is disclosed in accordance with the provisions of this Section.

10 (b) A recorded bond for deed contract shall not be a transfer prohibited by
 11 Paragraph (1) of this Subsection.

12 F. G. For purposes of this Section, the following words shall have the
 13 following meanings:

14 (1) "Business" means any corporation, partnership, sole proprietorship, firm,
 15 enterprise, franchise, association, business, organization, self-employed individual,
 16 holding company, trust, or any other legal entity or person.

17 ~~(2) "Income" means any income from whatever source derived, including but~~
 18 ~~not limited to the following items: compensation for services, including fees,~~
 19 ~~salaries, commissions, and similar items; income derived from business; gains~~
 20 ~~derived from dealings in property; interest; rents; royalties; dividends; annuities;~~
 21 ~~income from life insurance and endowment contracts; pensions; income from~~
 22 ~~discharge of indebtedness; distributive share of partnership income; and income from~~
 23 ~~interest in an estate or trust.~~

24 (2)(a) "Income" for a business shall mean gross income less both of the
 25 following:

26 (i) Costs of goods sold.

27 (ii) Operating expenses.

28 (b) "Income" for an individual shall mean taxable income and shall not
 29 include any income received pursuant to a life insurance policy.

1 H. Nothing in this Section shall require the disclosure or reporting of income
 2 derived from child support and alimony payments contained in a court order or from
 3 disability payments from any source.

4 §1124.1. Penalties; required reports; failure to file; timely and accurate filing

5 A.(1) Whoever fails to file a financial statement required by this Part, except
 6 for statements required by R.S. 42:1124, 1124.2, and 1124.3, or knowingly and
 7 willfully fails to timely file any such statement, or knowingly and willfully fails to
 8 disclose or to accurately disclose any information required by this Part shall be
 9 assessed a civil penalty pursuant to R.S. 42:1157 for each day until such statement
 10 or the required accurate information is filed.

11 (2) The amount of such penalty shall be:

12 ~~(a) Five hundred dollars per day for statements required by R.S. 42:1124.~~

13 ~~(b) One one hundred dollars per day for statements required by R.S. 42:1114;~~
 14 ~~or 1114.1.~~

15 B. Whoever knowingly and willfully files a false report required by this Part,
 16 except for statements required by R.S. 42:1124, 1124.2, or 1124.3, shall be guilty of
 17 a misdemeanor and upon conviction thereof shall be fined not less than one thousand
 18 dollars nor more than ten thousand dollars or imprisoned in parish prison for not
 19 more than six months, or both. Any prosecution under this Subsection shall be tried
 20 before a jury of six persons, all of whom must concur to render a verdict.

21 C. "Knowingly and willfully" for purposes of this Section means conduct
 22 which could have been avoided through the exercise of due diligence.

23 §1124.2. Financial disclosure; certain elected officials; voting districts of five
 24 thousand or more; state boards and commissions

25 A. Each member of the state legislature, each person holding a public office
 26 who represents a voting district having a population of five thousand or more
 27 persons, each member of the Board of Ethics and the ethics administrator, each
 28 member of the State Board of Elementary and Secondary Education, each member
 29 of a state board or commission who receives a salary or other compensation for such
 30 public service in the amount of sixteen thousand eight hundred dollars or more per

1 year, and each member of a state board or commission which has the authority to
2 expend, disburse, or invest one million dollars or more of funds in a fiscal year,
3 except any person who is required to file a financial statement pursuant to R.S.
4 42:1124, shall annually file a financial statement as provided in this Section.

5 B.(1) The financial statement required by this Section shall be filed by May
6 fifteenth of each year during which the person holds an office or position included
7 in Subsection A of this Section and by May fifteenth of the year following the
8 termination of the holding of such office or position.

9 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the
10 financial statement required by this Section may be filed within thirty days after the
11 individual files his federal tax return for the year on which he is reporting, taking
12 into consideration any extensions filed by the individual, provided that he notifies
13 the Board of Ethics prior to the deadline provided in Paragraph (1) of this Subsection
14 of his intention to do so.

15 C. The financial statement required by this Section shall be filed on a form
16 prescribed by the Board of Ethics and shall include the following information for the
17 preceding calendar year:

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

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

22 (3) The name of the employer, job title, and a brief job description of each
23 full-time or part-time employment position held by the individual or spouse.

24 (4)(a) The name, address, brief description of, and nature of association with
25 and the amount of interest in each business in which the individual or spouse is a
26 director, officer, owner, partner, member, or trustee, and in which the individual or
27 spouse, either individually or collectively, owns an interest which exceeds ten
28 percent of that business.

29 (b) The name, address, brief description of, and nature of association with
30 a nonprofit organization in which the individual or spouse is a director or officer.

1 (5)(a)(i) The name, address, type, and amount of each source of income
2 received by the individual or spouse, or by any business in which the individual or
3 spouse, either individually or collectively, owns an interest which exceeds ten
4 percent of that business, which is received from any of the following:

5 (aa) The state or any political subdivision as defined in Article VI of the
6 Constitution of Louisiana.

7 (bb) Services performed for or in connection with a gaming interest as
8 defined in R.S. 18:1505.2(L)(3)(a).

9 (ii) Notwithstanding the provisions of Subsection D of this Section, amounts
10 reported pursuant to this Subparagraph shall be reported by specific amount rather
11 than by category of value.

12 (b) The name and address of any employer which provides income to the
13 individual or spouse pursuant to the full-time or part-time employment of the
14 individual or spouse, including a brief description of the nature of the services
15 rendered pursuant to such employment and the amount of such income, excluding
16 information required to be reported pursuant to Subparagraph (5)(a) of this
17 Subsection.

18 (c) The name and address of all businesses which provide income to the
19 individual or spouse, including a brief description of the nature of services rendered
20 for each business or of the reason such income was received, and the aggregate
21 amount of such income, excluding information required to be reported pursuant to
22 Subparagraph (5)(a) or (b) of this Subsection.

23 (d) A description of the type of any other income, exceeding one thousand
24 dollars received by the individual or spouse, including a brief description of the
25 nature of the services rendered for the income or the reason such income was
26 received, and the amount of income, excluding information required to be reported
27 pursuant to Subparagraph (5)(a), (b), or (c) of this Subsection.

28 (6) A brief description, fair market value or use value as determined by the
29 assessor for purposes of ad valorem taxes, and the location by state and parish or
30 county of each parcel of immovable property in which the individual or spouse,

1 either individually or collectively, has an interest, provided that the fair market value
2 or use value as determined by the assessor for purposes of ad valorem taxes for such
3 parcel of immovable property exceeds two thousand dollars.

4 (7) The name and a brief description of each investment security having a
5 value exceeding five thousand dollars held by the individual or spouse, excluding
6 variable annuities, variable life insurance, variable universal life insurance, whole
7 life insurance, any other life insurance product, mutual funds, education investment
8 accounts, retirement investment accounts, government bonds, and cash or cash
9 equivalent investments. This Paragraph shall not be deemed to require disclosure of
10 information concerning any property held and administered for any person other than
11 the individual or spouse under a trust, tutorship, curatorship, or other custodial
12 instrument.

13 (8) A brief description, amount, and date of any purchase or sale, in excess
14 of five thousand dollars, of any immovable property and of any personally owned tax
15 credit certificates, stocks, bonds, or commodities futures, including any option to
16 acquire or dispose of any immovable property or of any personally owned tax credit
17 certificates, stocks, bonds, or commodities futures. This Paragraph shall not be
18 deemed to require disclosure of information concerning variable annuities, variable
19 life insurance, variable universal life insurance, whole life insurance, any other life
20 insurance product, mutual funds, education investment accounts, retirement
21 investment accounts, government bonds, cash or cash equivalent investments.

22 (9) The name and address of each creditor, and name of each guarantor, if
23 any, to whom the individual or spouse owes any liability which exceeds ten thousand
24 dollars on the last day of the reporting period excluding:

25 (a) Any loan secured by movable property, if such loan does not exceed the
26 purchase price of the movable property which secures it.

27 (b) Any liability, secured or unsecured, which is guaranteed by the individual
28 or spouse for a business in which the individual or spouse owns any interest,
29 provided that the liability is in the name of the business and, if the liability is a loan,

1 that the individual or spouse does not use proceeds from the loan for personal use
 2 unrelated to the business.

3 (c) Any loan by a licensed financial institution which loans money in the
 4 ordinary course of business.

5 (d) Any liability resulting from a consumer credit transaction as defined in
 6 R.S. 9:3516(13).

7 (e) Any loan from an immediate family member, unless such family member
 8 is a registered lobbyist, or his principal or employer is a registered lobbyist, or he
 9 employs or is a principal of a registered lobbyist, or unless such family member has
 10 a contract with the state.

11 (10) A certification that such individual has filed his federal and state income
 12 tax returns, or has filed for an extension of time for filing such tax returns.

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

15 (a) Category I, less than \$5,000.

16 (b) Category II, \$5,000-\$24,999.

17 (c) Category III, \$25,000-\$100,000.

18 (d) Category IV, more than \$100,000.

19 E. The financial statement shall be filed with the Board of Ethics and shall
 20 be accompanied by the affidavit of the individual filing it certifying that the
 21 information contained in the financial statement is true and correct to the best of his
 22 knowledge, information, and belief. The financial statement shall be a public record,
 23 subject to the provisions of Chapter 1 of Title 44 of the Louisiana Revised Statutes
 24 of 1950.

25 F.(1) For purposes of this Section, an individual or spouse shall not transfer
 26 any asset, interest, or liability required to be disclosed pursuant to this Section to any
 27 person or business for the purpose of avoiding disclosure, unless such transfer is
 28 irrevocable. A transfer shall not be irrevocable if there exists any contract, letter,
 29 counter letter, note, or any other legally enforceable agreement or authority which
 30 if exercised or enforced would require or authorize any asset, interest, or liability

1 transferred by an individual or spouse to a person or business to revert back to such
 2 individual or spouse.

3 (2)(a) The sale of property subject to owner financing shall not be a transfer
 4 prohibited by Paragraph (1) of this Subsection provided that the income from the sale
 5 is disclosed in accordance with the provisions of this Section.

6 (b) A recorded bond for deed contract shall not be a transfer prohibited by
 7 Paragraph (1) of this Subsection.

8 G. For purposes of this Section, the following words shall have the following
 9 meanings:

10 (1) "Business" shall have the same meaning as provided in R.S. 42:1124.

11 (2)(a) "Income" for a business shall mean gross income less both of the
 12 following:

13 (i) Costs of goods sold.

14 (ii) Operating expenses.

15 (b) "Income" for an individual shall mean taxable income and shall not
 16 include any income received pursuant to a life insurance policy.

17 (3) "Public office" shall have the same meaning as provided in R.S. 18:1483.

18 (4) "State board or commission" means each board, commission, and like
 19 entity created by law or executive order which is made a part of the executive branch
 20 of state government by the provisions of Title 36 of the Louisiana Revised Statutes
 21 of 1950, or which is placed in an executive branch department or in the office of the
 22 governor or lieutenant governor by law or executive order, or which exercises any
 23 authority or performs any function of the executive branch of state government.
 24 "State board or commission" shall not include an entity created as a political
 25 subdivision of the state or of local government or as the governing body or an agency
 26 of a political subdivision.

27 H. Relative to members of the legislature, the Board of Ethics shall promptly
 28 notify the clerical officer of the house of the legislature to which a member is elected
 29 of all violations of the provisions of this Section.

1 I. Nothing in this Section shall require the disclosure or reporting of income
2 derived from child support and alimony payments contained in a court order or from
3 the reporting or disclosure of income derived from disability payments from any
4 source.

5 §1124.3. Financial disclosure; certain elected officials, voting districts of under five
6 thousand

7 A. Each person holding a public office who represents a voting district
8 having a population of fewer than five thousand and each member of a state board
9 or commission which has the authority to expend, disburse, or invest more than ten
10 thousand but less than one million dollars, except any person who is required to file
11 a financial statement by R.S. 42:1124 or 1124.2, shall annually file a financial
12 statement as provided in this Section.

13 B. The financial statement required by this Section shall be filed by May
14 fifteenth of each year during which the person holds an office included in Subsection
15 A of this Section and by May fifteenth of the year following the termination of the
16 holding of such office.

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

20 (1) Any and all income exceeding two hundred fifty dollars received during
21 the immediately preceding calendar year by the individual who is required to file, the
22 spouse of such individual, or any business in which such individual or his spouse,
23 individually or collectively, owns at least ten percent, which is received from any of
24 the following:

25 (a) The state or any political subdivision as defined in Article VI of the
26 Constitution of Louisiana.

27 (b) Services performed for or in connection with a gaming interest as defined
28 in R.S. 18:1505.2(L)(3)(a).

29 (2) A certification that such individual has filed his federal and state income
30 tax return, or has filed for an extension of time for filing such tax return.

1 D. For purposes of this Section, the following words shall have the following
2 meanings:

3 (1) "Business" and "income" shall have the same meanings as provided in
4 R.S. 42:1124.

5 (2) "Public office" shall have the same meaning as provided in R.S. 18:1483.
6 §1124.4. Penalties

7 A.(1) If a person fails to timely file a financial statement as required by R.S.
8 18:1495.7 or by R.S. 42:1124, 1124.2, or 1124.3, or a person omits any information
9 required to be included in the statement, or the board has reason to believe
10 information included in the statement is inaccurate, the board shall notify the person
11 of such failure, omission, or inaccuracy by sending him by certified mail a notice of
12 delinquency immediately upon discovery of the failure, omission, or inaccuracy.

13 (2) The notice of delinquency shall inform the person that the financial
14 statement must be filed, or that the information must be disclosed or accurately
15 disclosed, or that a written answer contesting the allegation of such a failure,
16 omission, or inaccuracy must be filed no later than fourteen business days after
17 receipt of the notice of delinquency. The notice shall include the deadline for filing
18 the statement, filing the answer, or disclosing or accurately disclosing the
19 information.

20 (3) The board shall inform the person in the notice of delinquency that
21 failure to file the statement, to disclose or accurately disclose the information, or to
22 file an answer contesting the allegation by the deadline shall result in the imposition
23 of penalties as provided in Subsection C of this Section.

24 B.(1) If the person files the statement, provides the omitted information, or
25 corrects the inaccurate information prior to the deadline contained in the notice of
26 delinquency, no penalties shall be assessed against the person. If the person files a
27 written answer contesting the allegations prior to the deadline contained in the notice
28 of delinquency, no penalties shall be assessed until a determination is made by the
29 board that a violation occurred.

1 (2) If the person fails to file the statement, fails to provide the omitted
2 information, fails to correct the inaccurate information, or fails to file a written
3 answer prior to the deadline contained in the notice of delinquency, he shall be
4 subject to assessment of the penalties provided in Subsection C of this Section for
5 each day until the statement, omitted information, corrected information, or written
6 answer is filed.

7 (3) Upon a finding by the board in connection with a written answer that no
8 violation has occurred, no penalties shall be assessed against the person. If the board
9 finds in connection with a written answer that the person has failed to file the
10 statement or failed to disclose or accurately disclose the required information, he
11 shall be subject to assessment of the penalties provided in Subsection C of this
12 Section for each day until the statement is filed, until the omitted information is filed,
13 or until the inaccurate information is corrected.

14 C. Penalties shall be assessed as follows:

15 (1) Five hundred dollars per day for financial statements required by R.S.
16 42:1124.

17 (2) One hundred dollars per day for statements required by R.S. 42:1124.2.

18 (3) Fifty dollars per day for statements required by R.S. 42:1124.3.

19 (4) The penalties to be assessed candidates shall be assessed according to
20 which financial statement the candidate is required to file as provided in R.S.
21 18:1495.7.

22 D.(1)(a) A finding by the board after the notice provided for in Paragraph
23 (A)(1) of this Section that a person has willfully or knowingly failed to file a
24 statement, willfully and knowingly failed to timely file a statement, willfully or
25 knowingly omitted information from a statement, or willfully and knowingly
26 provided inaccurate information in a statement shall subject the person to
27 prosecution for a misdemeanor.

28 (b)(i) Upon first conviction thereof, the person shall be fined not less than
29 one thousand dollars nor more than five thousand dollars.

1 (ii) Upon a second or subsequent conviction for violation of the same
2 reporting requirement, the person shall be fined not less than one thousand dollars
3 nor more than ten thousand dollars.

4 (2) Any person prosecuted under this Subsection shall have a right to be tried
5 before a jury of six persons, all of whom shall concur to render a verdict.

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

8 (4) Upon finding at a public hearing a possible violation of Subsection D of
9 this Section, the board shall forward its findings to the district attorney in the parish
10 which is the domicile of the person who filed the report for appropriate action.

11 E.(1) The Board of Ethics shall post on its web site on the Internet a list of
12 all persons who have failed to file, or failed to timely file, or who have failed to
13 provide omitted information or failed to provide accurate information as required by
14 this Section.

15 (2)(a) No person shall be included on the list unless he fails to file, to
16 provide omitted information, or to provide accurate information by the deadline
17 included in a notice of delinquency, nor shall he be included on the list if he has filed
18 an answer contesting the allegations included in the notice of delinquency.

19 (b) A person shall be removed from the list within two business days after
20 filing the statement or accurately disclosing the required information.

21 F. If a person who is required to disclose information required by R.S.
22 42:1124, 1124.2, or 1124.3 discovers an error or inaccuracy in the information he
23 disclosed and files an amendment to such disclosure correcting such error or
24 inaccuracy prior to the receipt of a notice of delinquency, no penalties shall be
25 assessed against the person, and the board shall replace the initial disclosure with the
26 amendment thereto in the official records of the board.

27 §1124.5. Disclosure; Board of Ethics; ethics administrator

28 Each member of the Board of Ethics and the ethics administrator shall
29 include on the statement required by R.S. 42:1124.2 the following information for

1 the preceding calendar year unless the information is already included in the
2 statement:

3 (1) The name, address, brief description of, and nature of association with
4 and the amount of interest in each business in which the individual or spouse is a
5 director, officer, owner, partner, member, or trustee, or in which the individual or
6 spouse owns any interest, excluding a publicly traded corporation.

7 (2) The name, address, type, and amount of each source of income received
8 by the individual or spouse, or by any business in which the individual or spouse
9 owns an interest, excluding a publicly traded corporation, which is received from the
10 state or any political subdivision as defined in Article VI of the Constitution of
11 Louisiana.

12 (3) The name of each governmental entity from whom the individual or his
13 spouse derives any thing of economic value through any contract or subcontract
14 involving a governmental entity, including the Louisiana Insurance Guaranty
15 Association, the Louisiana Health Insurance Guaranty Association, Louisiana
16 Citizens Property Insurance Corporation, the Property Insurance Association of
17 Louisiana, and any other quasi public entity; the nature of the contract or
18 subcontract; and the value of thing of economic value derived.

19 * * *

20 §1157. Late filing fees

21 A.

22 * * *

23 (4)(a)(i) The late filing fees for any violation of R.S. 42:1114 ~~1114.1~~, and
24 ~~1124~~ shall be as provided in R.S. 42:1124.1(A).

25 (ii) The late penalties for any violation of R.S. 42:1124, 1124.2, or 1124.3
26 shall be as provided in R.S. 42:1124.4.

27 * * *

28 Section 3. R.S. 18:463(B) and R.S. 42:1114.1 are hereby repealed in their entirety.

29 Section 4. Prior to the effective date of this Act, the Board of Ethics shall promulgate
30 the forms required by this Act in accordance with the Administrative Procedure Act.

1 Section 5. The first reports due pursuant to R.S. 42:1124 as amended and reenacted
 2 by this Act and due pursuant to R.S. 42:1124.2 as enacted by this Act shall be complete for
 3 the calendar year 2008. The first reports due pursuant to R.S. 42:1124.3 as enacted by this
 4 Act shall be complete for the calendar year 2009.

5 Section 6. This Act shall become effective on January 1, 2009; however, R.S.
 6 42:1124.3 as enacted by this Act shall become effective on January 1, 2010. Any reference
 7 to R.S. 42:1124.3 as enacted by this Act shall have no effect until R.S. 42:1124.3 becomes
 8 effective.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____