

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 122 By Senator Morrish**KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

ETHICS. Provides exceptions to the Code of Governmental Ethics regarding certain contractual or other relationships by certain municipal elected officials, members of BESE, and current and former state superintendents of education. (8/1/14)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Replaces proposed provisions limiting a member's compensation or revenue from a relationship with a person seeking relationships with the member's agency to no more than \$10,000 per year with provisions limiting compensation received by a member or legal entity pursuant to proposed law to no more than \$10,000 per calendar year from any one person.
2. Specifies that the member is responsible for reporting such compensation and provides for the content of such reports.
3. Removes references to revenue received by a member or legal entity from proposed law.
4. Adds provisions for ethical standards applicable to members and former members of the BESE, and the current or former the state superintendent of education

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

Morrish

SB No. 122

Present law (ethics code) provides that no public servant and no legal entity in which the public servant exercises control or owns an interest in excess of 25% will receive any thing of economic value for or in consideration of services rendered, or to be rendered, to or for any person who has or is seeking to obtain a contractual or other business or financial relationships with the public servant's agency. Present law defines "public servant" as a public employee or an elected official.

Proposed law provides an exception to allow a member of a governing authority of a municipality with a population of 5,000 or less or a legal entity in which the member exercises control or owns an interest in excess of 25% to perform bona fide compensated services for any person who has or is seeking a contractual or other business or financial relationship with the municipality, subject to the following requirements:

- (1) The governing authority member recuses himself on all matters involving the municipality and the person.
- (2) The terms and conditions of the services performed by the governing authority member are customary and reasonable and the compensation received by the governing authority member is commensurate with the level of the service provided.
- (3) Compensation received by a member or legal entity shall be limited to no more than \$10,000 per calendar year from any one person. The member shall report such compensation to the governing authority at the same time that the member files his annual personal financial disclosure statement with the Board of Ethics. The report shall include the name of each person from whom such compensation was received during the previous calendar year and the total amount of such compensation received from each such person.

Proposed law prohibits a member of BESE, the state superintendent of education, a member of their immediate family, or a legal entity in which they have a substantial economic interest from bidding on or entering into or be in any way interested in any contract, subcontract, or other transaction that is under the supervision or jurisdiction of BESE or the Department of Education. Provides that this prohibition does not prohibit employment of any member of BESE or any member of their immediate family by a nonpublic school.

Proposed law provides that no member of the immediate family of the state superintendent or of a member of BESE and no legal entity of which the immediate family member is an officer, director, trustee, partner, or employee, or in which the immediate family member has a substantial economic interest, shall receive or agree to receive any thing of economic value for assisting a person in a transaction, or in an appearance in connection with a transaction, with BESE or the department. Further prohibits a member of BESE and the state superintendent from participating in a transaction in which they have a personal substantial economic interest involving BESE or the department.

Proposed law prohibits a member of BESE and the state superintendent from participating in a transaction involving BESE or the department in which any of the following persons has a substantial economic interest:

- (a) Any member of his immediate family.
- (b) Any person in which he has a substantial economic interest.
- (c) Any person of which he is a member or an officer, director, trustee, partner, or employee.
- (d) Any person of which his immediate family member is a member or an officer, director, trustee, partner, or employee.
- (e) Any person with whom he is negotiating or has an arrangement concerning prospective employment.
- (f) Any person who is a party to an existing contract with such public servant or his immediate family member or with any legal entity in which the public servant or his immediate family member owns a controlling interest.

Proposed law provides that no former member of BESE nor former state superintendent shall, for compensation, for a period of two years following the termination of his public service engage in a transaction, assist another person in a transaction, or make an appearance in connection with a transaction involving BESE or the department or render any service on a contractual basis to or for BESE or the department. Provides that no a legal entity in which a former BESE member or state superintendent is an officer, director, trustee, partner, or employee shall, for compensation, for a period of two years following the termination of his public service engage in a transaction, assist another person with a transaction, or make an appearance in connection with a transaction involving BESE or the department.

Proposed law prohibits a current or former member of BESE or a current or former state superintendent from sharing in any thing of economic value received by another person for any activity, action, or assistance which the public servant or former public servant is prohibited from performing under proposed law.

(Adds R.S. 42:1118.2 and 1123(43))

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