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## DIGEST

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HB 397 Original

2025 Regular Session

Beullieu

**Abstract:** Provides for revisions to the Code of Governmental Ethics.

### Definitions

Present law provides that "reasonable transportation" for purposes of legislators and employees in the legislative branch of state government when organized primarily for educational or for informational purposes, including on-site inspections, shall include transportation to any point within the boundaries of this state, including the territorial waters thereof, and to any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of La. Requires prior approval from the presiding officer of the respective house wherein such legislative employee is employed.

Proposed law retains present law as it relates to employees in the legislative branch of state government.

For purposes of legislators, proposed law repeals present law instead provides that "reasonable transportation" when organized primarily for educational or for informational purposes, including on-site inspections, shall include transportation to any point within the boundaries of this state, including the territorial waters thereof, and to any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of Louisiana. Further provides that when organized primarily for making a public speech, reasonable transportation includes transportation from his home, or the capitol, to and from the site of the speaking engagement from the sponsoring group or organization, provided the public speech is given in any state of the U.S. or any country in North America or the Caribbean. Present law further provides that reasonable transportation, when organized primarily for entertainment purposes incidental to food, drink, or refreshments, shall include transportation to any point within this state that is within a fifty-mile radius of the perimeter of the legislator's district, or within a fifty-mile radius of the perimeter of the parish wherein the state capitol is located. Proposed law retains present law.

Present law provides that for employees in the legislative branch of state government, reasonable transportation shall only be for official legislative purposes. Proposed law repeals present law.

Present law provides that "public speech" shall mean a speech, or other oral presentation, including a panel discussion, or radio or television appearance before the public at large, or before any civic, political, religious, educational, or eleemosynary group or organization by a member of the legislature in his capacity as a legislator. Proposed law retains present law.

## **Payments made by nonpublic sources**

Present law provides that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he is duly entitled, for the performance of the duties and responsibilities of his office or position. Present law provides for exceptions.

Proposed law retains present law except to provide that any compensation paid to any public school teacher, administrator, or supervisor, including kindergarten through the twelfth grade and postsecondary education instructional faculty and administrators for compensation from any agency participating in a state or statewide public retirement system shall be deemed as compensation from his governmental entity to which he is duly entitled. Such compensation must follow all rules regarding secondary compensation related to the public retirement system in which the public employee is participating. Such services shall be deemed to be performed for the benefit of his governmental entity, although the time spent in such matters shall not be deemed as hours worked for his governmental entity.

Proposed law further provides that any award or stipend provided to any public school teacher or administrator for his participation with any non-profit provider of teacher or public-school administrator certification, shall be deemed as compensation from his governmental entity to which he is duly entitled. The services for which the award or stipend is received shall be deemed to be performed for the benefit of the public school.

## **Prohibited contractual arrangements**

Present law prohibits certain public servants from bidding on or entering into any contract with state government. Present law provides exceptions for certain contracts.

Proposed law retains present law and further provides an exception for renewals of contracts containing an option to extend the contract under certain circumstances.

## **Limitations of food, drink, and refreshments**

Present law limits the ability of certain persons to offer food, drink, and refreshments to public servants in certain circumstances and provides exceptions.

Proposed law retains present law and provides an additional exception allowing for public servants to participate at an event hosted by certain charitable organizations held for the purpose of educating the public servant on issues that have come before, or might reasonably be expected to come before the public servant, provided that at least 10 persons associated with the organization are invited to the gathering.

## **Acceptance of reasonable transportation**

Present law authorizes public servants to accept complimentary reasonable transportation or

reimbursement of such transportation in certain circumstances. Further requires the public servant to make certain disclosures regarding accepted transportation including the amount expended on his behalf for such transportation.

Proposed law retains present law and further provides for the method of calculation of the amount expended on his behalf for air transportation by private aircraft.

### **Exceptions to Code of Governmental Ethics**

Present law provides for exceptions to the Code of Governmental Ethics, including authorization for a member of the legislature making a public speech to accept food, refreshments, and lodging reasonably related to making such speech, as well as reasonable transportation from his home, or the capitol, to and from the site of the speaking engagement from the sponsoring group or organization, provided the public speech is given in any state of the U.S. or Canada and provided such member of the legislature files a statement with the Board of Ethics disclosing certain information.

Proposed law retains present law except as it relates to speeches given in Canada, and further provides for authorization to accept food, refreshments, and lodging reasonably related to making a speech in any country in North America, the Carribean, or the territorial waters of Louisiana, and any offshore structure located on the outer continental shelf seaward of such territorial waters and offshore of La.

Proposed law provides that the present law requirement to disclose certain information only applies if the member of the legislature is making the speech outside La., the territorial waters thereof, or any offshore structure located on the outer continental shelf seaward of the territorial waters and offshore of La.

Present law authorizes the acceptance by a public servant of anything of economic value as a gift or gratuity from any person when the value of such gift or gratuity does not exceed \$100 per event. Proposed law further provides that the public servant may not receive gifts valued more than \$200 in a calendar year.

Present law authorizes acceptance by a public servant of flowers or donations in connection with the death of a family member. Proposed law further provides that the donation may only be to a 501(c)(3) charitable organization and provides that the donation or flowers may not exceed the value of \$200.

Proposed law authorizes acceptance by a public servant of seasonal or holiday foods and non-alcoholic beverages that commemorate a religious or state holiday not to exceed \$200 in value.

Proposed law authorizes a member or the executive director of the La. Racing Commission to own a racehorse which participates in any race meeting licensed by the commission or a horse that sired or bred a racehorse that participates in a race meeting licensed by the commission, or to participate in a breeder or stallion award.

Proposed law authorizes a member of the board of an airport authority or district to solicit or enter into contracts or other transactions under the supervision or jurisdiction of the authority or district.

### **Financial disclosures**

Present law provides for financial disclosures required of statewide elected officials, department secretaries, and other certain public servants (Tier 1). Proposed law retains present law and further provides that any publication or production of such financial statements shall have redacted the address of the residence of the individual who is required to file and the principal business address of the spouse of the individual who is required to file.

Present law provides for financial disclosures of certain public servants including legislators, members of the Board of Ethics, State Board of Elementary and Secondary Education, and the Board of Pardons, among others (Tier 2) and provides that amounts may be disclosed by the following categories:

- (a) Category I, less than \$5,000. Proposed law increases the value to less than \$10,000.
- (b) Category II, \$5,000-\$24,999. Proposed law increases the value to \$10,000 to \$50,000.
- (c) Category III, \$25,000-\$100,000. Proposed law increases the value to \$50,000 to \$100,000.
- (d) Category IV, more than \$100,000. Proposed law retains present law.

Present law provides for financial disclosures of elected officials of voting districts with a population under 5,000, among others (Tier 3) and requires disclosure of income received from certain sources. Proposed law increases the minimum value of reportable income from \$250 to \$500.

Present law requires certain disclosures of persons appointed to a state board or commission (Tier 2.1), who made a contribution or loan to a campaign of the official who appointed him. Proposed law increases the threshold amount of the contribution or loan requiring disclosure from \$1,000 to \$2,000.

### **Assessment of penalties**

Present law provides for the assessment of penalties by the Board of Ethics.

Proposed law provides for the timing of public hearings related to the assessment of penalties, required notices, information available to the subject of a hearing, subpoena powers, and other rights of the subject of the hearing.

### **Duties of the Board of Ethics**

Present law requires the board to provide reports and information to the governor, the legislature, and to governing authorities. Proposed law provides that such reports shall be made semi-annually and contain certain information.

Present law requires the board to conduct educational activities, seminars, and publish appropriate materials which provide instruction and information concerning the Campaign Finance Disclosure Act which shall be available to public servants in all state and local agencies, persons who do business with such agencies, candidates, lobbyists, and any other interested persons. Requires the board to make available to all interested persons via the Internet training and educational materials pertaining to the Campaign Finance Disclosure Act.

Proposed law retains present law and additionally requires the board to conduct educational seminars to educate persons, including committee chairmen and treasurers, professional campaign managers, public relations firms and advertising agencies, attorneys, and certified professional accountants, regarding the Campaign Financial Disclosure Act. Requires the board to make reasonable efforts to assure that the seminars qualify for continuing legal education credits and continuing education credits for certified public accountants.

### **Investigations and hearings conducted by the Board of Ethics**

Present law provides for the Board of Ethics to consider complaints concerning a violation of the Code of Governmental Ethics.

Proposed law retains present law and requires the board to, after consideration of a complaint, determine by a two-thirds vote whether there is reason to believe that a respondent has committed a violation warranting an investigation based upon specific findings prescribed by proposed law.

Proposed law requires the board to give a respondent notice of his right to counsel and right not to incriminate himself.

Proposed law authorizes and provides procedures for the issuance of subpoenas.

Following an investigation, present law authorizes the Board of Ethics or the Ethics Adjudicatory Board to conduct hearings.

Proposed law retains present law and requires the Board of Ethics to determine, by a two-thirds vote whether to conduct a public hearing based upon specific findings prescribed by proposed law.

Present law provides for notice and procedure of hearings conducted by the Board of Ethics.

Proposed law retains present law and requires the Board of Ethics to provide certain information to the subject of the hearing and prescribes certain rights of the subject of the hearing.

Present law provides that if any elected official willfully refuses or fails to appear before the Board of Ethics or the Ethics Adjudicatory Board or any court authorized to conduct any hearing or inquiry or refuses to testify or answer any question specifically, directly, and narrowly relating to the performance of his official duties on the ground that his testimony or answers would tend to incriminate him, or refuses to accept immunity from prosecution on account of any matter about which he may be asked to testify at such hearing or inquiry, such action shall be grounds for the

imposition of penalties including censure or a fine of not more than \$10,000.

Proposed law repeals present law.

(Amends 42:1102(22)(d), 1113(D)(2)(d), 1123(16) and (26), 1124.2(D), 1124.3(C)(1)(a)(introductory paragraph) and (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C), and 1141.4(B)(2), (C), (E), (F), (G), (H), and (I); Adds R.S. 42:1102(24), 1111(A)(7) and (8), 1115.1(E)(3), 1115.2(C), 1123(48) and (49), 1124(I), 1134(N)(3), 1141(D), (E), (F), and (G), and 1141.4(B)(3), (J), (K), (L), (M), and (N); Repeals R.S. 42:1141.4(D)(2))