

2025 Regular Session

HOUSE BILL NO. 674 (Substitute for House Bill No. 397 by Representative
Beaullieu)

BY REPRESENTATIVE BEAULLIEU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ETHICS/CODE: Provides for revisions to the Code of Governmental Ethics

1 AN ACT

2 To amend and reenact R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26),

3 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(introductory

4 paragraph) and (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C),

5 1141.2(A), and 1141.4(B)(2), (C), and (E) through (H), to enact R.S. 42:1102(24)

6 and (25), 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D)

7 through (G), and 1141.4(B)(3), and to repeal R.S. 42:1141.4(D)(2), relative to the

8 revision of the system of laws providing for governmental ethics; to make revisions

9 to the Code of Governmental Ethics; to provide for definitions; to provide for

10 payments made to certain public servants from nonpublic sources; to provide for

11 prohibited contractual arrangements; to provide for limitations on food and drink; to

12 provide for admission to events, lodging, and travel; to provide for the calculation

13 of the value of air travel; to provide for exceptions to restrictions provided for in the

14 Code of Governmental Ethics; to provide for financial disclosure statements and the

15 contents thereof; to provide for the procedure and requirements for the assessment

16 of penalties for the failure to file or timely file or omit information from a required

17 report; to provide for the duties of the Board of Ethics and the Ethics Adjudicatory

18 Board; to provide for eligibility to serve on the Ethics Adjudicatory Board; to

19 provide for the contents of reports by the Board of Ethics regarding the

20 administration of the Code of Governmental Ethics; to provide for the conduct of

1 educational seminars; to provide for procedures related to the receipt of complaints
2 and the conduct of investigations and hearings; to provide for required notices; to
3 provide for the issuance of subpoenas; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26),
6 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(introductory paragraph) and
7 (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C), 1141.2(A), and 1141.4(B)(2),
8 (C), and (E) through (H) are hereby amended and reenacted and R.S. 42:1102(24) and (25),
9 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D) through (G), and
10 1141.4(B)(3) are hereby enacted to read as follows:

11 §1102. Definitions

12 Unless the context clearly indicates otherwise, the following words and
13 terms, when used in this Chapter, shall have the following meanings:

14 * * *

15 (22)(a) "Thing of economic value" means money or any other thing having
16 economic value, ~~except promotional items having no substantial resale value;~~
17 ~~pharmaceutical samples, medical devices, medical foods, and infant formulas in~~
18 ~~compliance with the Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et seq., provided~~
19 ~~to a physician, health care professional, or appropriate public employee for the~~
20 ~~administration or dispensation to a patient at no cost to the patient; food, drink, or~~
21 ~~refreshments consumed by a public servant, including reasonable transportation and~~
22 ~~entertainment incidental thereto, while the personal guest of some person, and, with~~
23 ~~reference to legislators and employees in the legislative branch of state government~~
24 ~~only, reasonable transportation when organized primarily for educational or~~
25 ~~informational purposes, including food and drink incidental thereto, and includes but~~
26 is not limited to:

27 (i) Any loan, except a bona fide loan made by a duly licensed lending
28 institution at the normal rate of interest, any property interest, interest in a contract,

1 merchandise, service, and any employment or other arrangement involving a right
2 to compensation.

3 (ii) Any option to obtain a thing of economic value, irrespective of the
4 conditions to the exercise of such option.

5 (iii) Any promise or undertaking for the present or future delivery or
6 procurement of a thing of economic value.

7 (b) In the case of an option, promise, or undertaking, the time of receipt of
8 the thing of economic value shall be deemed to be, respectively, the time the right
9 to the option becomes fixed, regardless of the conditions to its exercise, and the time
10 when the promise or undertaking is made, regardless of the conditions to its
11 performance.

12 (c) Things of economic value shall not include any of the following:

13 (i) ~~salary~~ Salary and related benefits of the public employee due to his public
14 employment or salary and other emoluments of the office held by the elected official.
15 Salary and related benefits of public employees of higher education institutions,
16 boards, or systems shall include any supplementary compensation, use of property,
17 or other benefits provided to such employees from funds or property accruing to the
18 benefit of the institution, board, or system, as approved by the appropriate policy or
19 management board, from an alumni organization recognized by the management
20 board of a college or university within the state or from a foundation organized by
21 the alumni or other supportive individuals of a college or university within the state
22 the charter of which specifically provides that the purpose of the foundation is to aid
23 said college or university in a philanthropic manner.

24 (ii) Promotional items having no substantial resale value.

25 (iii) Pharmaceutical samples, medical devices, medical foods, and infant
26 formulas in compliance with the Food, Drug, and Cosmetic Act, 21 U.S.C. 301 et
27 seq., provided to a physician, health care professional, or appropriate public
28 employee for the administration or dispensation to a patient at no cost to the patient.

1 organization qualified for an exemption from federal income tax under Section 501
2 of the Internal Revenue Code by a member of the legislature in his capacity as a
3 legislator.

4 (25)(a) With reference to employees in the legislative branch of state
5 government only, "reasonable transportation" means transportation organized
6 primarily for educational or for informational purposes, including on-site
7 inspections, to any state, territory, or commonwealth of the United States, to the
8 territorial waters of Louisiana, and to any offshore structure located on the outer
9 continental shelf seaward of such territorial waters and offshore of Louisiana, if such
10 transportation receives prior approval from the presiding officer of the respective
11 house by which such legislative employee is employed.

12 (b) With reference to legislators only, "reasonable transportation" means
13 transportation:

14 (i) Organized primarily for educational or for informational purposes,
15 including on-site inspections, to any state, territory, or commonwealth of the United
16 States, to the territorial waters of Louisiana, and to any offshore structure located on
17 the outer continental shelf seaward of such territorial waters and offshore of
18 Louisiana.

19 (ii) Organized primarily for entertainment purposes incidental to food, drink,
20 or refreshments to any point within this state that is within a fifty-mile radius of the
21 perimeter of the legislator's district, or within a fifty-mile radius of the perimeter of
22 the parish wherein the state capitol is located.

23 (iii) Organized primarily for making a public speech from the legislator's
24 home or the capitol, to and from the site of the public speech from the sponsoring
25 group or organization, provided that the public speech is given in any state, territory,
26 or commonwealth of the United States or any country in North America.

27 * * *

1 §1111. Payment from nonpublic sources

2 A. Payments for services to the governmental entity.

3 * * *

4 (7) Any compensation paid to any public school teacher, administrator, or
5 supervisor, including kindergarten through the twelfth grade and postsecondary
6 education instructional faculty and administrators from any agency participating in
7 a state or statewide public retirement system shall be deemed for purposes of this
8 Part as compensation from his governmental entity to which he is duly entitled.
9 Such compensation shall follow all rules regarding secondary compensation related
10 to the public retirement system in which the public employee is participating.
11 Moreover, such services shall be deemed for purposes of this Part to be performed
12 for the benefit of his governmental entity, although the time spent in such matters
13 shall not be deemed as hours worked for his governmental entity.

14 (8) Any award or stipend provided to any public school teacher or
15 administrator for his participation with any nonprofit provider of teacher or public-
16 school administrator certification, shall be deemed for purposes of this Part as
17 compensation from his governmental entity to which he is duly entitled. For the
18 purposes of this Part, the services for which the award or stipend is received shall be
19 deemed to be performed for the benefit of the public school.

20 (9) Any stipend provided to any public school athletic trainer for services
21 performed for the benefit of his governmental entity paid for by a private entity that
22 provides for the health and safety of student athletes and that does not receive third
23 party reimbursements shall be deemed for purposes of this Part as compensation
24 from his governmental entity to which he is duly entitled.

25 * * *

26 §1113. Prohibited contractual arrangements; exceptions; reports

27 * * *

28 D.

29 * * *

1 (2) The provisions of this Subsection shall not prohibit the following:

2 * * *

3 (d) Except as otherwise specifically provided for in this Paragraph,
4 completion ~~Completion~~ of any contract which, at the time it was entered into, was
5 not prohibited by the provisions of this Subsection; however, no such contract shall
6 be renewed except as ~~specifically provided for in this Paragraph~~ that a contract
7 containing an option by state government to extend the contract may be renewed if
8 all of the following apply:

9 (i) The option is at state government's discretion.

10 (ii) The contract renewal does not change the initial terms of the contract,
11 including the services provided and the price.

12 (iii) State government is not otherwise prohibited from exercising the option
13 to extend the term of the contract.

14 * * *

15 §1115.2. Admission to events; lodging; travel

16 * * *

17 B.(1) Any public servant who accepts complimentary admission, lodging,
18 or transportation, or reimbursement for such expenses, shall file with the Board of
19 Ethics, within sixty days after such acceptance, a certification, on a form designed
20 by the board, disclosing all of the following:

21 * * *

22 (c) The amount expended on his behalf or reimbursed by the person for
23 admission, lodging, and transportation. The amount expended on air transportation
24 by private aircraft shall calculated as provided in Subsection C of this Section.

25 * * *

26 C. The amount expended on air transportation by private aircraft shall be
27 calculated by any of the following methods:

28 (1) The cost of any of the following:

1 of 1950.

2 * * *

3 §1124.2. Financial disclosure; certain elected officials; members of certain boards
4 and commissions; ethics administrator

5 * * *

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

8 (a) Category I, less than ~~\$5,000~~ \$10,000.

9 (b) Category II, ~~\$5,000-\$24,999~~ \$10,000 to \$49,999.

10 (c) Category III, ~~\$25,000-\$100,000~~ \$50,000 to \$100,000.

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

12 E. The financial statement shall be filed electronically with the Board of
13 Ethics through the Board of Ethics Computerized Data Management System and
14 shall be accompanied by the certification of the individual filing it certifying that the
15 information contained in the financial statement is true and correct to the best of his
16 knowledge, information, and belief. The financial statement shall be a public record,
17 subject to the provisions of Chapter 1 of Title 44 of the Louisiana Revised Statutes
18 of 1950.

19 * * *

20 §1124.3. Financial disclosure; certain elected officials, voting districts of under five
21 thousand

22 * * *

23 C. The financial statement required by this Section shall be filed on a form
24 prescribed by the Board of Ethics and shall include the following information:

25 (1)(a) Any and all income exceeding ~~two hundred fifty~~ five hundred dollars

1 received during the immediately preceding calendar year by the individual who is
2 required to file or the spouse of such individual which is received from any of the
3 following:

4 * * *

5 (b) Any and all income exceeding ~~two hundred fifty~~ five hundred dollars
6 received during the immediately preceding calendar year by any business in which
7 the individual required to file or his spouse, individually or collectively, owns at least
8 ten percent, which is received for services performed for or in connection with a
9 gaming interest as defined in R.S. 18:1505.2(L)(3)(a).

10 * * *

11 §1124.4. Penalties

12 * * *

13 D.

14 * * *

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

17 (b) Any public hearing conducted pursuant to this Section shall be conducted
18 in accordance with the provisions of this Chapter no earlier than thirty days after the
19 person who is the subject of the hearing has received notice by certified mail
20 advising the person of the hearing date, time, and location, and advising the person
21 that he may exercise his constitutional right to counsel and may exercise his
22 constitutional right not to incriminate himself.

23 (c) The board shall provide the person who is the subject of the hearing, no
24 later than fifteen days before the hearing, with a copy of the report of the staff to the
25 board regarding the person's alleged failure to file or failure to timely file, a copy of
26 all information gathered by the board related to the alleged failure to file or failure
27 to timely file, and a copy of all potential exhibits to be introduced at the hearing.

28 (d) The person who is the subject of the hearing shall have the power and

1 authority to subpoena witnesses and compel the production of books, records, and
2 papers.

3 (e) The board shall, before the hearing, grant the person subject to the
4 hearing an opportunity to submit a brief statement in response to the report of the
5 staff.

6 (f) The board shall, at the election of the person subject to the hearing,
7 permit the person to appear for the hearing or to address the board in person, by
8 telephone, or by videoconference.

9 (g) The board shall, after the hearing, grant the person subject to the hearing
10 an opportunity to address, orally or in writing, the final report of the staff, the
11 evidence presented at the hearing, and any factual or legal issues relevant to the
12 alleged violation by the person subject to the hearing.

13 (h) The hearing shall be recorded at the expense of the board.

14 * * *

15 §1124.6. Disclosure statements; certain agency heads and appointees to state boards
16 and commissions

17 A.

18 * * *

19 (2) Each person who is appointed to a state board or commission, who is
20 subject to annual financial statements as required by R.S. 42:1124.2.1, and who
21 made a contribution or loan in excess of ~~one~~ two thousand dollars to a campaign of
22 the official who appointed him shall disclose to the board his date of appointment,
23 the amount of any compensation provided for such position, the name of the
24 candidate to whom a contribution or loan was made, and the amount of any such
25 contribution or loan. Each such person shall include the information required by this
26 Subsection on the annual financial statement that is required by this Part.

27 * * *

28 §1134. Powers, duties, and responsibilities of the board

29 * * *

1 I. The board shall provide semi-annual reports and information to the
2 governor, the legislature, and to governing authorities concerning the administration
3 of this Chapter within its jurisdiction and conflict of interest matters generally. The
4 board shall include in its reports all of the following:

- 5 (1) Aggregated data regarding investigations, including:
- 6 (a) Aggregated data regarding the number of complaints received.
- 7 (b) Aggregated data regarding the number of investigations.
- 8 (c) Aggregated data regarding the number and value of penalties and fees.
- 9 (d) Aggregated data regarding the number and value of penalty and fee
10 waivers.

11 (e) Aggregated data regarding the number and nature of court and Ethics
12 Adjudicatory Board proceedings regarding investigations.

13 (f) Aggregated data regarding categories of alleged violations yielding
14 investigations.

- 15 (2) Aggregated data regarding charges issued, including:
- 16 (a) Aggregated data regarding the number of charges.
- 17 (b) Aggregated data regarding the length of proceedings resulting from
18 charges.

19 (c) Aggregated data regarding categories of alleged violations yielding
20 charges.

21 (3) Advisory opinions issued by the board.

22 (4) Judgments and opinions by the Ethics Adjudicatory Board and by state
23 and federal courts interpreting this Chapter.

24 * * *

25 N.

26 * * *

27 (3) The board shall conduct educational seminars specifically designed to
28 educate persons involved in filing campaign finance disclosures, including
29 committee chairmen and treasurers, professional campaign managers, public

1 relations firms and advertising agencies, attorneys, and certified professional
2 accountants, regarding the Campaign Financial Disclosure Act. The board shall
3 make reasonable efforts to assure that the seminars qualify for continuing legal
4 education credits and continuing education credits for certified public accountants.

5 * * *

6 §1141. Complaints and investigations

7 * * *

8 B.(1)(a) The Board of Ethics shall consider any signed sworn complaint
9 from any elector, hereinafter referred to as complainant, concerning a violation of
10 this Chapter which is within its jurisdiction or the regulations or orders issued by the
11 Board of Ethics, or may, by a two-thirds majority vote of its membership, consider
12 any matter which it has reason to believe may be a violation of this Chapter.
13 Additionally, the board may consider any matter which it has reason to believe may
14 be a violation of any other provision of law within its jurisdiction as provided in this
15 Subsection or as may be otherwise provided by law. The board, after considering the
16 matter, shall determine by a two-thirds majority vote of its membership whether
17 there is reason to believe that a respondent has committed a violation of this Chapter
18 warranting an investigation in consideration of the following:

19 (i) Whether the respondent has cured any potential violation of this Chapter
20 and whether the respondent committed the violation intentionally or recklessly.

21 (ii) Whether, based on the information available the board, the board will
22 more likely than not find a significant violation of this Chapter.

23 (iii) Whether investigating the potential violation of this Chapter would
24 support the purposes of this Chapter.

25 (iv) Whether the information available to the board is sufficient to support
26 any further investigation.

27 (v) The expense likely to be incurred by both the respondent and the board
28 as a result of the investigation, weighed against the severity of the potential violation.

1 submission under oath of written reports or answers to questions, or subpoena or
2 compel the production of any books, records, and papers only upon a finding that the
3 importance of the information sought outweighs the burden of producing the
4 information.

5 (ii) The ethics administrator shall provide to the Board of Ethics a monthly
6 report of the number of subpoenas issued by the board and the ethics administrator
7 in the prior month.

8 (c) The subject of the investigation or any witness upon whom written
9 questions have been propounded shall serve a copy of the written answers and
10 objections, if any, within thirty days after the service of the questions.

11 (d) The subject of the investigation or any witness upon whom a subpoena
12 has been served to compel the production of books, records, or papers shall serve a
13 copy of the responses and objections, if any, within thirty days after the service of
14 the subpoena.

15 (e) The subject of the investigation or any witness upon whom a subpoena
16 has been served requiring the submission under oath of written reports shall produce
17 the written reports within thirty days after the service of the subpoena.

18 (f) The Board of Ethics shall promptly provide the subject of the
19 investigation with a copy of questions propounded or subpoenas served upon any
20 witness, as well as any answers, objections, books, records, or papers, or written
21 reports produced, or transcripts or recordings of answers to questions produced under
22 oath.

23 (g) Any demand, request, or subpoena propounded upon the subject of the
24 investigation or witness, orally or in writing, shall be prefaced by advising the
25 subject of the investigation or witness that he may exercise his constitutional right
26 to counsel and may exercise his constitutional right not to incriminate himself.

27 (h) An oral examination under oath shall be conducted under conditions
28 agreed upon by the subject of the investigation or witness, including that the
29 examination occur in a certain place, at a certain time, or by phone or

1 videoconference, and with counsel present, that the examination be transcribed or
2 audio recorded, and that the subject of the investigation or witness promptly receive
3 a copy of the transcript or audio recording.

4 (i) The Board of Ethics shall adopt rules providing for discovery consistent
5 with Chapter 3 of Title III of Book II of the Code of Civil Procedure and as
6 constrained by this Subsection, to the extent and in the manner appropriate to its
7 proceedings.

8 ~~(2) After the investigation has been completed, the Board of Ethics shall~~
9 ~~determine whether a public hearing should be conducted to receive evidence and to~~
10 ~~determine whether any violation of any provision of law within its jurisdiction has~~
11 ~~occurred. If a violation has not occurred, the defendant and the complainant shall be~~
12 ~~notified within ten days of the ruling. (a) The Board of Ethics shall, after the~~
13 ~~investigation and prior to determining whether a hearing should be conducted, grant~~
14 ~~the person subject to the investigation an opportunity to address, orally or in writing,~~
15 ~~the final report of the staff, the information presented at the hearing, and any factual~~
16 ~~or legal issues relevant to the alleged violation by the person subject to the~~
17 ~~investigation.~~

18 (b) The Board of Ethics shall, at the election of the person subject to the
19 investigation, permit the person to address the board in person, by telephone, or by
20 videoconference.

21 (3)(a) If the board determines following an investigation that a public
22 hearing should be conducted, the board shall issue charges. A public hearing shall
23 be conducted to receive evidence relative to the facts alleged in the charges and to
24 determine whether any violation of any provision of law within the jurisdiction of
25 the board has occurred. The public hearing on such charges shall be conducted by
26 the Ethics Adjudicatory Board in accordance with the Administrative Procedure Act
27 and this Part.

28 (b) The charges issued by the board shall contain each of the following:

1 (i) A plain, concise, and definite written statement of the essential facts
2 constituting the alleged violation.

3 (ii) The official or customary citation of the statute which is alleged to have
4 been violated.

5 (iii) The date of the meeting at which the board voted to issue charges.

6 (iv) The name of the trial attorney, if designated.

7 (v) A written statement advising the respondent that he may exercise his
8 constitutional right to counsel and may exercise his constitutional right not to
9 incriminate himself.

10 D.(1)(a) In case of contumacy or refusal to obey a subpoena issued to any
11 public servant or other person, any district court of this state within the jurisdiction
12 of which the public servant or other person resides, upon application by the Board
13 of Ethics shall have jurisdiction to issue to such public servant or other person an
14 order requiring him to produce books, records, or papers, or to require the
15 submission under oath of written reports or answers to questions concerning the
16 matter under consideration.

17 (b) The district court shall only subpoena or compel the production of books,
18 records, or papers, or require the submission under oath of written reports or answers
19 to questions, upon a finding that the importance of the information sought outweighs
20 the burden of producing the information.

21 (2) Upon motion by the subject of the investigation, a prospective witness,
22 or any person whose books, records, papers, or other documents are the subject of
23 any subpoena, and for good cause shown, any district court within the jurisdiction
24 of which the movant resides may make any order which justice requires to protect
25 such person from annoyance, embarrassment, oppression, or undue burden or
26 expense, including one or more of the following:

27 (a) That the inquiry not be had.

28 (b) That the inquiry may be had only upon specified terms and conditions
29 including a designation of the time and place.

1 (c) That the inquiry shall be conducted by a method other than selected by
2 the Board of Ethics.

3 (d) That certain matters not be inquired into or that the scope of the inquiry
4 be limited to certain matters.

5 (e) That the inquiry be conducted with no one present except persons
6 designated by the court.

7 (3) The Board of Ethics shall waive, upon written request by the affected
8 party, any right to be served by any means other than email transmission, and shall
9 provide an email address at which the Board of Ethics shall accept service.

10 (4) Any failure to obey such order of the court may be deemed by the district
11 court to be contempt of court.

12 (5) The district court, upon denying any application made pursuant to this
13 Subsection, may order the movant to pay the court costs and attorney's fees of the
14 prevailing party.

15 E.(1) After the investigation has been completed, the Board of Ethics shall,
16 by vote of two-thirds of its members, determine whether a public hearing before the
17 Ethics Adjudicatory Board should be conducted to receive evidence and to determine
18 whether any violation of any provision of law within its jurisdiction has occurred.

19 (2) Before the board determines whether a public hearing should be
20 conducted to receive evidence, the board shall:

21 (a) Provide the subject of the investigation with the final report of the staff
22 of the board to the board regarding the investigation of the alleged violation by
23 subject of the investigation.

24 (b) Provide the subject of the investigation with an opportunity to submit a
25 brief response to the final report of the staff.

26 (c) Provide the subject of the investigation with an opportunity to briefly
27 make a statement before the Board of Ethics to address the final report of the staff
28 and any factual or legal issues relevant to the alleged violation by the subject of the
29 investigation. Such statements may be presented in person, by telephone, or by

1 videoconference during executive session of the Board of Ethics, unless the subject
2 of the investigation requests that his comments be made in open session. Statements
3 by the subject of the investigation before the Board of Ethics in executive session
4 shall not be recorded.

5 (3) If the Board of Ethics determines a violation has not occurred, the subject
6 of the investigation and the complainant shall be notified within ten days of the
7 board's determination.

8 ~~(c)~~ F. If the Board of Ethics does not issue charges within one year from the
9 date upon which a sworn complaint is received or, if no sworn complaint was
10 received, within one year from the date the board voted to consider the matter, the
11 matter shall be dismissed. The one-year period ~~shall be~~ is prescriptive. The
12 prescriptive period may be suspended, interrupted, or renounced. The prescriptive
13 period shall be suspended by any of the following:

14 ~~(i)~~ (1) The person who is the subject of the investigation or complaint files
15 any pleading or proceeding in a state or federal court or with the Ethics Adjudicatory
16 Board related to the matter under investigation that has the effect of delaying or
17 impeding the proceeding.

18 ~~(ii)~~ (2) The person who is the subject of the investigation or complaint fails
19 to comply with a subpoena or other request from the Board of Ethics for information
20 related to or in connection with the investigation of the Board of Ethics.

21 ~~(d)~~ (3) The person who is the subject of the investigation or complaint may
22 consent in writing to the suspension of the prescriptive period.

23 ~~(e)~~ (4) Determinations concerning the prescriptive period provided for in
24 ~~Subparagraph (c) of this Paragraph~~ this Subsection shall be made by the Ethics
25 Adjudicatory Board.

26 ~~(f)~~ G. The Board of Ethics shall consider offering a consent opinion to each
27 person who is the subject of an investigation.

28 * * *

1 §1141.2. Ethics Adjudicatory Board

2 A. The director of the division of administrative law shall, at a public
3 meeting of the Board of Ethics in December of the year preceding the year in which
4 the terms are to begin, randomly select seven administrative law judges from among
5 those who meet the qualifications to comprise the Ethics Adjudicatory Board. The
6 last selected judge shall serve as the alternate. Members of the adjudicatory board
7 shall have not less than two years of experience as an administrative law judge ~~or~~
8 with the division of administrative law and not less than ten years experience in the
9 practice of law.

10 * * *

11 §1141.4. Notice and procedure

12 * * *

13 B.

14 * * *

15 (2) ~~The Board of Ethics and the Ethics Adjudicatory Board shall adopt rules~~
16 ~~providing for discovery consistent with Chapter 3 of Title III of Book II of the Code~~
17 ~~of Civil Procedure, to the extent and in the manner appropriate to its proceedings.~~
18 The person who is the subject of the hearing shall, no later than fifteen days before
19 the hearing, receive a copy of the final report of the staff of the Board of Ethics
20 regarding the investigation of the alleged violation by the person subject to the
21 hearing, a copy of all evidence gathered by the board, and a copy of all potential
22 exhibits to be introduced at the hearing.

23 (3) Before a hearing, the Ethics Adjudicatory Board shall grant the person
24 subject to the hearing an opportunity to submit a brief response to the final report of
25 the staff.

26 C. In case of contumacy or refusal to obey a subpoena to appear at a hearing
27 issued to any public servant or other person, any district court of this state within the
28 jurisdiction ~~of which the inquiry is carried on, or within which said public servant~~
29 ~~or other person is found, resides, or~~ or if the other person does not reside in this state,

1 Section 2. R.S. 42:1141.4(D)(2) is hereby repealed in its entirety.

2 Section 3. The Louisiana State Law Institute is authorized and directed to arrange
3 in alphabetical order and renumber the definitions contained in R.S. 42:1102 and to correct
4 any cross-references to the renumbered paragraphs if necessary, consistent with the
5 provisions of this Act.

6 Section 4. This Act shall become effective upon signature by the governor or, if not
7 signed by the governor, upon expiration of the time for bills to become law without signature
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
10 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 674 Original

2025 Regular Session

Beaulieu

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

Definitions

Present law (R.S. 42:1102(22)) defines "thing of economic value" and provides that certain items are, and are not, considered a thing of economic value for purposes of limitations imposed by present law (Code of Governmental Ethics), including reasonable transportation in certain circumstances. Proposed law retains present law.

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 except to include transportation to any state, territory, or commonwealth of the U.S.

For purposes of legislators, proposed law repeals present law and instead provides that "reasonable transportation" when organized primarily for educational or for informational purposes, including on-site inspections, shall include transportation to any state, territory, or commonwealth of the U.S., to the territorial waters of La., 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. 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 (R.S. 42:1123(16)) 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 except to provide that instead of eleemosynary groups, the provision applies to appearances before an organization qualified for an exemption from federal income tax under Section 501 of the Internal Revenue Code.

Payments made by nonpublic sources

Present law (R.S. 42:1111) 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 nonprofit 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.

Proposed law further provides that any stipend provided to any public school athletic trainer for services performed for the benefit of his governmental entity paid for by a private entity that provides for the health and safety of student athletes and that does not receive third party reimbursements shall be deemed as compensation from his governmental entity to which he is duly entitled.

Prohibited contractual arrangements

Present law (R.S. 42:1113) 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 (R.S. 42:1115.1) 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(R.S. 42:1115.2) 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 calculating the amount expended on his behalf for air transportation by private aircraft.

Exceptions to the Code of Governmental Ethics

Present law (R.S. 42:1123) 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 and further provides for authorization to accept food, refreshments, and lodging reasonably related to making a speech in any territory or commonwealth of the U.S., country in North America, 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 per event and per calendar year.

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.

Financial disclosures

Present law (R.S. 42:1124) provides for financial disclosures required of statewide elected officials, department secretaries, and other certain public servants (Tier 1). Proposed law retains present law except to require that Tier 1 filers disclose their mailing address, rather than residential address, and to eliminate the requirement that they disclose their spouse's business address.

Proposed law further requires Tier 1 filers to file their financial statements electronically.

Present law (R.S. 42:1124.2) 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:

- (1) Category I, less than \$5,000. Proposed law increases the value to less than \$10,000.
- (2) Category II, \$5,000-\$24,999. Proposed law increases the value to \$10,000 to \$49,999.
- (3) Category III, \$25,000-\$100,000. Proposed law increases the value to \$50,000 to \$100,000.
- (4) Category IV, more than \$100,000. Proposed law retains present law.

Proposed law further requires Tier 2 filers to file their financial statements electronically.

Present law (R.S. 42:1124.3) 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 (R.S. 42: 1124.6) 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 (R.S. 42:1124.4) provides for the assessment of penalties by the Board of Ethics for failure to file or failure to timely file a personal financial disclosure.

Proposed law provides that the public hearings related to the assessment of penalties shall be conducted no earlier than 30 days after the subject of the hearing has received notice of the hearing. Further requires the board to provide the person who is the subject of the hearing, no later than 15 days before the hearing, with a copy of the staff report regarding the investigation of the alleged violation, a copy of all information gathered by the board, and a copy of all potential exhibits to be introduced at the hearing. Provides that the person shall have an opportunity to submit a brief response to the report and to address the board.

Proposed law further provides that the person who is the subject of the hearing shall have the power and authority to subpoena witnesses and compel the production of books, records, and papers.

Proposed law requires that the hearing be recorded at the expense of the board.

Duties of the Board of Ethics

Present law (R.S. 42:1134) 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 specifically designed to educate persons involved in filing campaign finance disclosures 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 (R.S. 42:1141) 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 during an investigation. Authorizes the Board of Ethics or the ethics administrator to require submission under oath or subpoena the production of books, records, and papers deemed relevant or material to the investigation only upon a finding that the importance of the information sought outweighs the burden of producing the information. Requires the ethics administrator to provide the Board of Ethics with a monthly report of all subpoenas issued.

Proposed law requires the subject of the investigation or any witness to produce the compelled or subpoenaed responses within 30 days after the service thereof and requires the Board of Ethics to promptly provide a copy of all questions or subpoenas submitted to any witness and the responses thereto to the subject of the investigation. Provides that oral examinations shall be made under conditions agreed upon by the subject of the investigation or witness.

Proposed law provides for the Board of Ethics to file a motion with the district court to require a public servant or other person to comply with a subpoena, subject to contempt of court. Further authorizes the subject of the investigation or prospective witness to file a motion with the district court to protect such person from annoyance, embarrassment, oppression, or undue burden or expense related to a subpoena issued by the Board of Ethics or ethics administrator, subject to contempt of court. Authorizes the district court, upon denying any such application, to order the movant to pay the court costs and attorney's fees of the prevailing party.

Proposed law requires the Board of Ethics to, after the investigation and prior to determining whether a hearing should be conducted, grant the person subject to the investigation an

opportunity to address, orally or in writing, the final report of the staff, the information presented at the hearing, and any factual or legal issues relevant to the alleged violation by the person subject to the investigation.

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. Requires the Board of Ethics to provide the subject of the investigation with the final report regarding the investigation and an opportunity to submit a brief response and address the board in regard to the final report prior to voting on whether to conduct a public hearing.

Present law (R.S. 42:1141.2) provides that an administrative law judge shall have at least two years of experience as an administrative law judge or, alternatively, not less than 10 years experience in the practice of law. Proposed law instead provides that a judge shall have at least two years of experience as a administrative law judge with the division of administrative law in addition to having 10 years experience in the practice of law in order to be eligible to serve on the Ethics Adjudicatory Board.

Present law (R.S. 42:1141.4) provides for notice and procedure of hearings conducted by the Board of Ethics and Ethics Adjudicatory Board.

Proposed law retains present law and requires the Board of Ethics to provide certain information to the subject of the hearing and prescribes the right of the subject of the hearing to submit a response to the final report regarding the investigation.

Present law provides for the Board of Ethics to file a motion with the district court to require a public servant or other person to comply with a subpoena. Proposed law limits present law provision to only apply for subpoenas to appear at a hearing.

Present law provides that motions to enforce a subpoena may be filed in the district court within which the public servant is found, resides, or transacts business. Proposed law instead provides for such motions to be filed where the person resides or, if the person does not reside in the state, where he transacts business.

Present law authorizes public servants and other persons subject to a hearing to have legal counsel, cross-examine witnesses, call witnesses, and present evidence on his own behalf. Proposed law retains present law and further authorizes such persons to subpoena and compel witnesses and the production of books, records, and papers.

Proposed law requires that a hearing transcript be provided to the subject of an investigation or hearing upon his request at the expense of the Board of Ethics.

Present law provides that any witness at any investigation or hearing shall be entitled to a copy of his testimony promptly upon written demand when it becomes important and relevant in a criminal proceeding or subsequent investigation or hearing, provided that the furnishing of such copy will not prejudice the public safety or security. Proposed law instead provides that a witness is entitled to a copy of his testimony without requiring that it be important or relevant in a criminal proceeding or subsequent investigation or hearing, provided that the furnishing of such copy will not prejudice the public safety or security.

Present law (R.S. 42:1141.4(D)(2)) 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.

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

(Amends R.S. 42:1102(22), 1113(D)(2)(d), 1115.2(B)(1)(c), 1123(16) and (26), 1124(C)(1) and (2) and (E), 1124.2(D) and (E), 1124.3(C)(1)(a)(intro. para.) and (b), 1124.4(D)(3), 1124.6(A)(2), 1134(I), 1141(B)(1) and (C), 1141.2(A), and 1141.4(B)(2), (C), and (E) - (H); Adds R.S. 42:1102(24) and (25), 1111(A)(7), (8), and (9), 1115.2(C), 1123(48), 1134(N)(3), 1141(D) - (G), and 1141.4(B)(3); Repeals R.S. 42:1141.4(D)(2))