

Regular Session, 2008

HOUSE BILL NO. 648

BY REPRESENTATIVES GALLOT, JOHNSON, AND TUCKER

ETHICS/FINANCIAL DISCLOS: Requires members of levee boards and certain other local boards and commissions to disclose certain financial information

1 AN ACT

2 To amend and reenact R.S. 42:1124.2(A) and 1124.3(A) and to enact R.S. 42:1124.2(G)(5)  
3 and 1124.3(D)(3), relative to financial disclosure; to require certain disclosures by  
4 certain public servants; to require certain disclosures by members of certain boards  
5 and commissions; to provide for definitions; to provide for penalties; and to provide  
6 for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 42:1124.2(A) is hereby amended and reenacted to read as follows:

9 §1124.2. Financial disclosure; certain elected officials; ~~voting districts of five~~  
10 ~~thousand or more; state~~ members of certain boards and commissions; ethics  
11 administrator

12 A. Each of the following, except a person who is required to file a financial  
13 statement pursuant to R.S. 42:1124, shall annually file a financial statement as  
14 provided in this Section:

15 (1) Each member of the state legislature.

16 ~~each~~ (2) Each person holding a public office who represents a voting district  
17 having a population of five thousand or more persons.

18 ~~each~~ (3) Each member of the Board of Ethics and the ethics administrator.

19 ~~each~~ (4) Each member of the State Board of Elementary and Secondary  
20 Education.

21 ~~each~~ (5) Each member of the governing authority of a levee district or  
22 similar entity, however it is designated, provided for in R.S. 38:291.





Proposed law defines "local board or commission" to mean any board, commission, or like entity created by the constitution, by law, by a political subdivision, or jointly by two or more political subdivisions as a governing authority of a political subdivision of the state or of local government. Provides that "local board or commission" shall not mean the governing authority of a parish or municipality.

Present law (R.S. 42:1124.2) generally requires the financial statement to contain the following:

- (1) The name and address of the individual and his spouse and the spouse's occupation and business address.
- (2) Specified information concerning businesses with which the individual and/or spouse is/are affiliated.
- (3) Information concerning nonprofit organizations in which the individual or spouse is a director or officer.
- (4) Specified information, including specific amounts, concerning income, direct or indirect, received by the individual or spouse from the state, a political subdivision, or certain gaming interests.
- (5) Specified information concerning the individual's or spouse's employers, including amounts of income.
- (6) Specified information concerning businesses from which the individual or his spouse receive income, including an aggregate amount.
- (7) A description and amount of all other income exceeding \$1,000.
- (8) Specified information, including value, concerning immovable property valued at over \$2,000 owned by the individual or spouse.
- (9) Specified information regarding investment securities valued at over \$5,000; provides exceptions.
- (10) Specified information, including value, regarding purchases or sales of immovable property, stocks, and other securities valued at over \$5,000; provides exceptions.
- (11) Specified information concerning creditors to whom the individual or spouse owes liabilities exceeding \$10,000; provides exceptions.
- (12) A certification that the individual has filed his federal and state income tax returns or has filed for an extension of time for filing such tax returns.

Present law provides that (except with respect to amounts of income from state and gaming sources) when an amount is required to be disclosed, it shall be sufficient to report the amount by the following categories: (1) Category I, less than \$5,000; (2) Category II, \$5,000-\$24,999; (3) Category III, \$25,000-\$100,000; and (4) Category IV, more than \$100,000.

Present law provides deadlines for filing. Provides exemptions from disclosure requirements for certain information. Provides definitions. Provides that the financial statement is a public record.

Proposed law retains present law.

Present law (R.S. 42:1124.3-eff. 1/1/2010) requires the annual filing of a financial statement by specified officials, including each person holding a public office who represents a voting district having a population of fewer than 5,000 persons and each member of a state board or commission which has the authority to expend, disburse, or invest more than \$10,000 but less than \$1,000,000 (informally termed "Tier III"). Generally requires the financial statement to be filed by persons in Tier III to contain only (4) above, relative to income from the state, a political subdivision, or certain gaming interests, and (12) above, relative to the filing of tax returns.

Proposed law retains present law and additionally includes in the list of persons required to file a financial statement each member of a local board or commission which expends or disburses more than \$10,000 but less than \$1,000,000 of funds in a fiscal year. Provides that "local board or commission" shall have the same meaning as provided in proposed law provisions relative to R.S. 42:1124.2 (Tier II).

Present law (R.S. 42:1124.4) provides relative to penalties. Provides for penalties, after receipt of a notice of delinquency, for failure to file, to provide omitted information, to correct inaccurate information, or to file a written answer prior to the deadline contained in the notice of delinquency. Penalties may be imposed for each day until the statement, omitted information, corrected information, or written answer is filed. Penalties are: \$500 per day for governor, statewide elected officials, and others who report pursuant to R.S. 42:1124; \$100 per day for persons who report pursuant to R.S. 42:1124.2 (Tier II); and \$50 per day for persons who report pursuant to R.S. 42:1124.3 (Tier III). Additionally, present law (R.S. 42:1124.4) provides that whoever willfully or knowingly fails to file a statement, willfully and knowingly fails to timely file a statement, willfully or knowingly omits information from a statement, or willfully and knowingly provides inaccurate information shall be subject to prosecution for a misdemeanor and upon conviction shall be fined not less than \$1,000 nor more than \$5,000 and upon a subsequent violation of the same reporting requirement shall be fined not less than \$1,000 nor more than \$10,000. Provides that a person so prosecuted shall have a right to be tried before a jury of six persons, all of whom shall concur to render a verdict.

Proposed law retains present law and thereby makes present law penalties applicable to violations of proposed law.

Expressly provides that the first reports due pursuant to R.S. 42:1124.2 (Tier II) as provided by proposed law shall be complete for the calendar year 2008 and that the first reports due pursuant to R.S. 42:1124.3 (Tier III) as provided by proposed law shall be complete for the calendar year 2009.

Effective Jan. 1, 2009, except that provisions of proposed law amending R.S. 1124.3 (Tier III) become effective Jan. 1, 2010.

(Amends R.S. 42:1124.2(A) and 1124.3(A); Adds R.S. 42:1124.2(G)(5) and 1124.3(D)(3))

#### Summary of Amendments Adopted by House

##### House Floor Amendments to the engrossed bill.

1. Relative to the list of persons required to file financial disclosures pursuant to R.S. 42:1124.2 (Tier II), removes specific reference to members of the governing authority of a port district or similar entity and adds instead each member of a local board or commission which expends or disburses \$1,000,000 or more of funds in a fiscal year.
2. Adds to the list of persons required to file financial disclosures pursuant to R.S. 42:1124.3 (Tier III) each member of a local board or commission which expends or disburses more than \$10,000 but less than \$1,000,000 of funds in a fiscal year.

3. Adds a definition of "local board or commission" for such purposes.
4. Expressly provides that the first reports due pursuant to R.S. 42:1124.2 (Tier II) as provided by proposed law shall be complete for the calendar year 2008 and that the first reports due pursuant to R.S. 42:1124.3 (Tier III) as provided by proposed law shall be complete for the calendar year 2009.
5. Provides that provisions of proposed law amending R.S. 1124.3 (Tier III) become effective Jan. 1, 2010.