



HOUSE NOTES

The Latest News from the State Capitol
Louisiana House of Representatives
1st Special Session Wrap-Up
February 27, 2008

The Legislature completed the business of the 2008 1st Extraordinary Session with time to spare. The session which was scheduled to end on March 1, concluded three days early.

The nearly 100 bills introduced in the House and over 70 in the Senate, proposed over 60 changes to the ethics and finance disclosure laws. During the 17 days of the session, legislation was thoroughly debated and explained, both in committee and on the House Floor. Numerous amendments were considered, with ten bills being sent to conference to work out differences and forge compromises.

The purpose of this session was to adopt significant ethics reform and send a message that there is no room for corruption in Louisiana government. With the passage of stringent ethics and finance disclosure laws this session, Louisiana is now at the top in ethics reform.

ETHICS/FINANCIAL DISCLOSURE

* [House Bill 1](#) requires certain public officials and candidates for some offices to disclose certain financial information.

Under this bill, annual reporting is required and is divided into three categories or "tiers," Executive Branch, Public Office & Major Board, Small local Official & Minor Board. Reporting by candidates is also required.

The most stringent reporting is in the
* [Senate Bill 1](#) bans contracts with the

Executive Branch Tier. Income, property, investments, liabilities, transactions, and other financial holdings must be reported. Disclosure is by category of value, with the lowest category of less than \$5,000 and the highest, \$200,000 or more. The first report is due May 15, 2009 for 2008.

The second tier is Public Office and Major Board. Legislators, local elected officials with populations of 5,000 or more, member of the Board of Elementary and Secondary Education (BESE), the Board of Ethics, and members of major boards and commissions are covered by this tier. Net income, property, investments, some liabilities, and other financial holdings must be reported. Disclosure is also by category with the highest being \$100,000 or more. The first report is due at the same time as for those in tier one.

Tier three is Small Local Official and Minor Board. Local elected officials with populations of less than 5,000 and members of other state boards and commissions with annual expenditures of \$10,000 to \$1 million follow the guidelines in this tier. This does not include political subdivisions or local boards. Income received from state or local subdivisions and gaming interests is the only income that must be disclosed, and there are no ranges. Their first report is due in 2010.

Effective date of the bill is August 5, 2008.

The bill has completed the legislative process.

state for officials, their spouses, and their

businesses. There is a limited exception through the current term of office. This exception includes current professional service contracts and current public bid contracts. Other family members including children, parents, siblings, and siblings' spouses can seek state contracts that are competitively bid. They cannot have consulting contracts.

The bill has completed the legislative process and awaits the governor's signature.

ETHICS CODE AND CAMPAIGN FINANCE DISCLOSURE EDUCATION

* [House Bill 6](#) increases education and training requirements for public servants, and imposes training requirements for registered lobbyists, relative to the La. Code of Government Ethics.

Commencing with terms beginning January 1, 2008, statewide elected officials, legislators, and public service commissioners would be required to receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of their terms of office, instead of the two-hour total training during the first year of the term that the law presently requires. Newly elected officials must complete this training within the first 90 days after taking the oath of office. There is no change to present law that requires all statewide elected officials, legislators, and public service commissioners to receive one hour of education and training on the Campaign Finance Disclosure Act during their terms of office.

Commencing with terms beginning January 1, 2010, and thereafter, other elected officials would now be required to receive one hour of Ethics Code education and training during each year in office, as

* [Senate Bill 47](#) requires that each person, other than a candidate or political committee, who makes an expenditure for

opposed to the two hours of training during the first year of the term that the law presently requires. Again, newly elected officials would be required to complete the first year requirement within 90 days of taking the oath of office. Present law requiring one hour of campaign finance disclosure training remains.

Beginning January 1, 2012, all other public servants will be required to receive one hour of Ethics Code education and training during each year of public employment or term of office. Current law requires only two hours' total training during each four-year employment or term for such persons.

Beginning January 1, 2009, House Bill 6 requires each legislative and executive branch lobbyist to receive one hour of education and training on the provisions of the lobbying laws under which the lobbyist is registered, and on the provisions of the Ethics Code that the board determines relevant, during each year the lobbyist is registered. Further, the Ethics Board would be required to keep records of the education and training compliance of each registered lobbyist, just as current law requires the board to keep those records of public servants.

The legislation requires the Board of Ethics to send a notice of noncompliance when it discovers that a public servant has failed to complete the required training and gives the public servant 30 business days to complete the requirement before any penalties are assessed. Also, requires the Board to submit the Code of Ethics education and training requirements to the Louisiana Supreme Court for approval as an approved continuing legal education (CLE) activity.

House Bill 6 has completed the legislative process.

CAMPAIGN FINANCE

purposes of canvassing, no matter how much is expended, must submit in writing to the candidate or political committee on whose

behalf such expenditure was made the name, address and the last four digits of the social security number of each individual to whom such an expenditure was made.

Candidates, political committees, or any other persons are prohibited from using a contribution, loan, or transfer of funds to pay a fine, fee, or penalty assessed for violation of the Ethics Code. A fine, fee, or penalty assessed for a violation of the Campaign Finance Disclosure Act must be paid only by the person against whom the fine, fee, or penalty was assessed and only with personal funds or campaign funds. Retains the present law that if the Ethics Board finds that the violation was intentional, prohibits using campaign funds to pay the fines. A person convicted of an intentional criminal violation will be fined not more than twice the amount of the expenditure or compensation or imprisoned, with or without hard labor, for not more than five years, or both.

The bill awaits gubernatorial action.

COUNTER LETTERS

* [Senate Bill 35](#) prohibits the use of counter letters and similar methods to avoid compliance with the Governmental Code of Ethics.

Under this bill, the transfer of anything of economic value or any asset, interest, or liability to any person or governmental entity for the purpose of circumventing any provision of the Code of Ethics, unless the transfer is irrevocable, is prohibited. Exceptions are included for a confidentiality agreement entered into between parties, provided that the agreement is not entered into for purposes of circumventing the Code of Ethics; for the sale of property subject to owner financing; and for a recorded bond for deed contract.

The bill is effective upon signature of the governor or lapse of time for gubernatorial action.

The bill has completed the legislative process.

LOBBYING

* [Senate Bill 8](#) prohibits certain persons, including lobbyists and those seeking business relationships with public agencies from giving a public servant food, drink, or refreshments valued at more than \$50 at a single event, regardless of the number of persons giving the food, drink, or refreshments.

The bill excepts gatherings held in conjunction with a regional or national organization or a meeting of a statewide organization of governmental officials or employees.

The bill also requires the Board of Ethics on July 1, 2009 and annually thereafter to calculate and adjust the limit of \$50 based upon the increase in the Consumer Price Index.

The effective date of the legislation is March 30, 2008.

The bill has completed the legislative process and awaits gubernatorial action.

* [Senate Bill 3](#) allows elected officials to receive complimentary admission to a civic, non-profit, educational, or political event when the elected official is a program honoree, speech presenter, or panel member.

The bill prohibits gifts of admission into any professional, semi-professional, or collegiate sporting event; but allows any fishing trip, hunting trip, or golf outing if the trip or outing is associated with a candidate's, elected official's, or organization's fundraising event open to the general public.

The legislation is effective upon signature of the governor.

Having completed the legislative process, the bill awaits gubernatorial action.

* [Senate Bill 11](#) amends the law that regulates lobbyist registration and expenditure report requirements.

Under present law, a lobbyist must report any expenditure to legislators and executive branch officials when the amount exceeds \$10. This bill repeals that provision and requires the reporting of all expenditures and adds the spouse or minor child of those individuals who a lobbyist cannot purchase food, drink, or refreshment as well as legislative branch public servants.

The bill further requires monthly electronic filing of expenditure reports, by the 25th of the month for the previous month.

In the report, the lobbyist must list each subject matter lobbied during each reporting period. The amounts of compensation for lobbying must be disclosed in category, including potential subject matter to be lobbied. Each dollar spent as well as the name of the person spent on must be reported.

Under current law, lobbyists must register with the Board of Ethics within five days of employment as a lobbyist. This bill requires a lobbyist to register with the board as soon as possible or after the first action requiring his registration, whichever comes first, but not later than 5 days of such employment or not later than 5 days after the first action requiring his registration, whichever comes first. Lobbyists must also report the names of officials with whom they have had business relationships. The registration must be filed electronically.

Further, the bill revises the penalties for reporting violations.

The bill awaits gubernatorial consideration.

BOARD OF ETHICS

* [House Bill 41](#) establishes the "Ethics Adjudicatory Board" which will adjudicate alleged violations of laws under the jurisdiction of the Board of Ethics.

The board will be comprised of three administrative law judges, who will be civil service employees, selected by the director of the division of administrative law.

The bill awaits gubernatorial consideration.

WHISTLE-BLOWER STATUTE

* [House Bill 8](#) expands present law that provides that public employees who report acts of alleged impropriety on the job be free from discipline or reprisal to add the "threat of discipline or reprisal" by a public employer. Additionally, the bill adds such a prohibition to any employee who has the authority to discipline employees.

The bill also adds that in addition to a public employee reporting to the Board of Ethics any suspension, demotion, or dismissal which was a reprisal for reporting alleged acts of impropriety the threat of suspension, demotion, or dismissal.

Under this legislation, penalties are punishable by fines of up to \$10,000, and an elected official may be censured and a public employee may be removed, suspended, demoted, or receive a reduction in pay, as in present law. Additionally, the proposed law specifically references violations by any employee who has the authority to hire, fire, or discipline employees, supervisor, agency head, or elected official. The board has the authority to forward any findings of probable cause that a criminal law has been violated to the appropriate district attorney.

The bill has completed the legislative process.

POLITICAL ORGANIZATION DISCLOSURE REPORTS/ETHICS FINE PROHIBITIONS

* [Senate Bill 29](#), which has completed the legislative process, requires any political organization defined in 26 U.S.C.A. §527(e)(1) to file reports as required for political committees regarding contributors, the amount of contributions and made by the organization for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function as defined in 26 U.S.C.A. §527(e)(2).

These reports are required be filed at the same time, contain the same information,

Also, 527 political organizations are required to file reports during the period beginning at midnight of the 20th day prior to a primary election and extending through midnight of primary election day, and during the period beginning at midnight of the 20th day prior to a general election and extending through midnight of general election day, containing the full name and address of each person from whom the political organization has received and accepted a contribution, or to whom such organization has made an expenditure during such period in excess of \$250. The report must be filed within 48 hours after the time the contribution is received or expenditure made.

Senate Bill 29 further provides that a fine, fee, or penalty assessed for a violation of the Campaign Finance Disclosure Act (CFDA) shall be paid only by the person against whom which has completed the legislative process, provides that if any elected official in the discharge of a duty or responsibility of his office is required to vote on a matter that would violate Code of Governmental Ethics provisions, he shall recuse himself from voting.

However, the new law allows for certain participation under certain circumstances. If an elected official who recuses himself from voting verbally discloses the nature of the conflict or potential conflict during his participation in the discussion or debate and prior to any vote taken on the matter, he shall not be prohibited from participating in discussion and debate concerning the matter.

the fine, fee, or penalty was assessed may be paid only with the personal funds of such person or with contributions in accordance with present law.

No candidate, political committee, or person who files reports under the CFDA, nor any other person, shall use campaign contributions, loans, or transfers of funds, to

and be certified correct in the same manner as reports required for political committees.

pay a fine, fee, or penalty imposed under the Code of Governmental Ethics.

RECUSAL FROM VOTING

* [Senate Bill 5](#), Additionally, Senate Bill 5 removes the provision in present law which provides that the recusal provision not apply when the elected official is the sole decision-maker in the discharge of the particular duty or responsibility of his office or position.

BOARD OF ETHICS SERVICE QUALIFICATIONS

* [House Bill 29](#) requires that at least three of the governor's seven appointees to the 11-member Board of Ethics must be licensed to practice law in this state for at least eight years at the time of their appointment.

Currently, no one who has been registered to lobby the legislature within the past two calendar years may serve on the Board. This legislation makes the law applicable to any lobbyist, not just one who lobbied the legislature.

The bill also requires a person to resign from the board if:

- ◆ he accepts appointment to another board or commission;
- ◆ becomes a party to any contract with any agency, entity, or political subdivision of the state;
- ◆ becomes aware, at any time after being selected to serve on the board, that he was ineligible for selection.

After the effective date of this law, no board member may attend a board meeting in his official capacity or participate in board meetings until the staff of the Board of Ethics has publicly certified that the member has completed the ethics training program.

Any board member serving on the effective date of this legislation, if he is aware at the time of his selection to serve on

the board he was ineligible to serve because he was a public employee, whether compensated or not, or because of any other provisions of this law, must immediately resign.

* Under [House Bill 33](#) the head of a state agency is established as the person required to designate at least one person who is responsible for providing all public servants of that agency with ethics education. The name of this person(s) must be submitted to the Board of Ethics by July 1 of each year. Any changes must be reported to the board within 10 days of the change. The agency head of each executive branch department must select at least one designee who is licensed to practice law in Louisiana.

Further requires that each agency head ensure that each public servant in the agency is notified of the named and contact information of each designee and that this information be posted and easily accessible to public servants of that agency.

The legislation requires that after January 1, 2009, the designees are required to have at least two hours of ethics education and training annually.

As under present law, the education and training required may be received either in person or via the Internet through the training and education materials designed by the board.

The bill has completed the legislative process.

CANDIDATE QUALIFICATIONS

* [House Bill 65](#) prohibits anyone with outstanding ethics fines from qualifying to run for office.

Under present law, a candidate must file a notice of candidacy when qualifying for a primary election which includes a certificate that states, among others, that he meets the qualifications of the office, that he is not currently under an order of imprisonment for conviction of a felony and

The bill has completed the legislative process.

ETHICS EDUCATORS/TRAINING

that he does not owe any outstanding fines, fees, or penalties pursuant to the Campaign Finance Disclosure Act. This legislation adds that the certificate include a statement that the candidate does not owe any outstanding fines, fees, or penalties pursuant to the Code of Governmental Ethics. An outstanding fine, fee, or penalty includes one equal to \$250 or more which has been imposed by the Board of Ethics and for which all appeals have been exhausted. The bill also requires, rather than authorizes, the Supervisory Committee on Campaign Finance Disclosure to bring or join in an action objecting to a candidacy on such grounds and requires the Board of Ethics to bring or join in an action objecting to candidacy on such grounds. Falsely certifying is grounds for objecting to a candidacy.

The effective date of the legislation is January 1, 2009.

The bill has completed the legislative process.

GUBERNATORIAL INAUGURATION AND TRANSITION CONTRIBUTION CAP

* [House Bill 7](#), which has received full legislative approval, establishes a maximum donation of \$10,000 per donor to a governor-elect's inauguration ceremonies and transition. The bill extends the reporting period relative to such contributions from the date of election to 30 days after the inauguration.

NEPOTISM LAW CLARIFICATION

* [House Bill 22](#) provides that a wilful violation of provisions in the present

nepotism law would subject the agency head, the member of the governing authority, the public employee having authority to hire and fire the employee, the immediate supervisor, even if such employees are not immediate family members, and the employee to disciplinary action and penalties, provided for under

CRIME/CORRUPT INFLUENCING

* [Senate Bill 53](#) increases the penalty for accepting or giving or offering to give anything of apparent present or prospective value with the intent to corruptly influence from not more than five years imprisonment with or without hard labor or a fine of not more than \$5,000, or both, to not more than 10 years with or without hard labor, a fine of not more than \$10,000, or both.

The bill has completed the legislative process and is effective upon signature of the governor or the lapse of time for gubernatorial action.

* [Senate Bill 58](#) creates the crime of abuse of office.

The legislation prohibits a public officer or employee from intentionally using the authority of his office or position to compel or coerce any person to provide them with anything of apparent value when they are not entitled by the nature of the office to the services. A violation carries a fine of up to \$5,000 or imprisonment with or without hard labor for between one and five years.

The bill is effective upon signature of the governor.

The bill has completed the legislative process.

CAMPAIGN REPORTING/ ELECTRONIC FILING

* [House Bill 73](#) requires electronic filing of reports by any person or political committee, other than a candidate or an authorized political committee of a

present law.

The proposed law removes the specific reference to "chief executive," which is already recognized in the term "agency head."

House Bill 22 has received full legislative approval.

candidate or a political committee of a recognized political party.

The bill, which has completed the legislative process, is effective July 1, 2009.

* [House Bill 78](#) requires a candidate for any major or district office to electronically file reports of contributions or expenditures if they receive contributions or loans or make expenditures in excess of \$25,000 during the aggregating period. This change is effective January 1, 2010 through December 31, 2011.

Then, effective January 1, 2012, removes the dollar threshold for requiring statewide office candidates to electronically file and provides instead that each candidate for a major or district office electronically file reports of contributions and expenditures through the Board of Ethics Computerized Date Management System as provided in present law.

The bill has completed the legislative process.

INSPECTOR GENERAL

* [House Bill 56](#) creates an independent office of the state inspector general within the office of the governor to examine and investigate the management and affairs of executive branch agencies.

Under this legislation, the inspector general will be appointed by the governor and confirmed by the Senate. Anyone who holds an elective public office or is a candidate for public office is ineligible for this position and no former inspector general can become a qualified candidate for any elective office within four years after the termination of his service as inspector general.

The bill provides for a six-year term with compensation set by the governor, not to exceed the amount approved by the legislature while in session. The salary may not be reduced by the governor or legislature during his term of office. The legislature is required to provide adequate funding for the office.

Final reports of the inspector general
* [Senate Bill 37](#) requires the commissioner of administration to establish and maintain a website to post reports of state spending. The website is required to include the nature and amount of appropriations for the executive branch and include annual salaries and total compensation for statewide elected officials and cabinet-level positions in the executive branch. The commissioner must also maintain on the site a monthly report of spending by each budget unit. Reports posted on the website must be complete and inclusive of all budget units no later than January 1, 2009.

Having completed the legislative process, the bill awaits consideration by the governor.

INCOME TAX BURDEN

* [House Concurrent Resolution 11](#) urges and requests the secretary of the Dept. of Revenue to take every possible action under the law to ensure that no additional state individual income tax burden is imposed on Louisiana citizens as a result of the enactment of the 2008 federal economic stimulus income tax relief legislation. The legislation also calls on Governor Jindal to include in any proclamation for a second special session this year any necessary legislation to accomplish this purpose.

Congress recently passed legislation granting federal income tax relief to individual taxpayers for tax year 2008 with rebate checks to be distributed later this year.

must be immediately filed with the Joint Legislative Committee on the Budget and must include the agency's response.

The bill awaits gubernatorial action.

WEBSITE ACCESS TO STATE SPENDING

The legislation now heads to the Senate for further consideration.

HOUSE RULES/DISCLOSURE

* [House Concurrent Resolution 6](#) adopts a Joint Rule requiring disclosure of certain detailed supplemental information for amendments or items appropriating funds in an appropriation bill to entities that are neither budget units or political subdivisions of the state. Includes disclosure of elected or appointed state officials and their immediate family members who are officers, directors, trustees, or employees or have any ownership interest in such an entity and any contracts the entity has with the state or a political subdivision or any elected or appointed state official or their immediate family member. The resolution has completed the legislative process.

FAILED TO PASS

* [House Bill 38](#) would have prohibited the governor from appointing a contributor or immediate family member of such person to a board or commission. The bill died in the House & Governmental Affairs Committee.

* [House Bill 3](#) would have required financial disclosure for judges. The bill died on the House floor.

NOTE:

* [House Bill 13](#) would have required a two-thirds vote of the elected members of the legislature to enact exceptions to the ethics code. The bill died in the House & Governmental

Affairs Committee.

* [House Bill 27](#) would have limited the public records exception for the office of the governor to the executive office of the governor (the governor, his chief of staff, and his executive counsel). The bill died in the Senate & Governmental Affairs Committee.

* [Senate Bill 17](#) , and several other bills, would have allowed forfeiture of public retirement benefits upon

* [Senate Bill 31](#) would have required a candidate to request employer identification from a contributor making a donation of more than \$250. The bill died on the Senate Floor.

* [Senate Bill 34](#) would have prohibited a candidate for elective office from using campaign contributions to pay family members. The bill failed to pass the House & Governmental Affairs Committee.

* [Senate Concurrent Resolution 5](#) urged and requested the Supreme Court to adopt the same financial disclosure standards for judges as those applicable to other elected officials in the Code of Governmental Ethics.

The resolution died on the House calendar.

* [House Resolution 5](#) would have allowed the Speaker of the House to remove an elected member of the House Committee on Appropriations if the member is under indictment for a crime relating to his public duties or public office. The resolution died on the House calendar.

conviction of a felony associated with a member's public service. The bill failed to pass in the Senate Finance Committee.

* [Senate Bill 65](#) would have prohibited the making or receiving of a cash contribution to a candidate or campaign committee. The bill failed House final passage, 23-76.