



# ETHICS AT THE CAPITOL

## 2011 Summary of Legislative Outcomes Concerning Ethics

### LEGISLATION RECOMMENDED BY BOARD OF ETHICS

Pursuant to Section 1134 of the Code of Governmental Ethics (RS 42:1134J), the Louisiana Board of Ethics considered issues encountered in discharging its responsibilities in administering the laws under its jurisdiction and voted at its March 18, 2010 meeting to submit the following recommendations to Governor Jindal and members of the Louisiana Legislature:

#### **The Code of Governmental Ethics (R.S. 42:1101, et seq.)**

1. Provide the Louisiana Board of Ethics and the respondent with the right to appeal a decision of the Ethics Adjudicatory Board.
2. Authorize and require ethics investigation staff to audit for accuracy a randomly selected group of financial reports submitted to the Board of Ethics each calendar year, provided sufficient funding and personnel are made available, together with subpoena or similar authority to conduct such audits.
3. Adjust and clarify timeframes within which action may be taken to enforce laws under the jurisdiction of the Board of Ethics. No time limitation should commence to run until the Board, at a convened meeting, receives notices of alleged violations.
4. Require all financial information submitted to the Louisiana Board of Ethics be electronically filed.
5. Provide for consistent use of the term *respondent* throughout the procedural provisions of the Code of Governmental Ethics rather than the terms *defendant* or *accused*, or other similar words or phrases.
6. Authorize the exchange of confidential information among the Louisiana Board of Ethics, the Legislative Auditor, the Louisiana Inspector General, and the New Orleans Office of the Inspector General.
7. Provide for a maximum late fee for the \$500 per day late fee for persons filing Tier 1 personal financial disclosure reports. There is currently no maximum late fee for the late filing of a Tier 1 report, as there is for other tiers of personal financial

reports. The Board recommends that the maximum late fee be \$12,500.

8. Define *government bonds* referenced in R.S. 42:1 124C(9), 1 124.2C(7) & (8), as including municipal bonds.

9. Define *cash or cash equivalent*, which is referenced in R.S. 42:1 124C(9), 1 124.2C(7) & (8), as including savings and checking accounts, money market accounts, and certificates of deposit.

10. Within R.S. 42:114 1, the Louisiana Board of Ethics recommends that throughout the section, when reference is made to the board, it should distinguish as to which board is being referenced, the Louisiana Board of Ethics or the Ethics Adjudicatory Board.

### **The Campaign Finance Disclosure Act (R.S. 18:1481, et seq.)**

1. Provide definitions for the terms *personal use, related to a political campaign*, and *the holding of a public office*. R.S. 1505.21 provides that “contributions may be expended for any lawful purpose, but such funds shall not be used, loaned, or pledged by any person for any personal use unrelated to a political campaign, the holding of a public office.”

2. Eliminate the filing of election day expenditure reports for the primary and general elections. The information provided on these reports is included on other reports filed by the candidates and political committees.

3. Provide for a maximum late fee of \$7,500 on the per day late fee for political committees and other persons who are required to electronically file campaign finance disclosure reports. There is currently no maximum late fee for a \$500 per day late fee penalty.

4. Provide a requirement that political committees disclose the date of the election for which a contribution is given to a candidate and require the political committee to file reports for the election in which they have disclosed they are participating.

5. Provide a presumption in law that a contribution or loan received by a candidate Is applicable to the campaign then underway, unless the contributor expressly indicates that it is to be applied to a past campaign.

6. Provide an exception for candidates who are qualifying for an elected office prior to April 15, with respect to the certification that they have filed their federal and state taxes or filed for an extension thereof at the time of filing the personal financial disclosure report, as the time for filing the report or requesting an extension thereof has not expired.

### **Mandatory Training (R.S. 42:1170)**

1. Establish a requirement that local parishes, municipalities and other political subdivisions of the state designate an individual to serve as an ethics liaison between the Board and the local entity. The current law requires the Board of Ethics to keep records of compliance, which necessitates the Board having information as to who is required to comply with the law. This proposal will assist with this effort. An online portal can be developed through which the liaison can enter the appropriate information and afford the Board of Ethics an opportunity to provide individuals with reminders and notices.

2. Provide that an individual or a lobbyist who has not received the requisite training as set forth in R.S. 42:1170 be given 45 days from the mailing of a notice of noncompliance to complete the training.

### **BOARD REVIEW OF RESOLUTIONS AND BILLS AFFECTING ETHICS, CAMPAIGN FINANCE DISCLOSURES, AND PERSONAL FINANCIAL STATEMENTS**

The Board of Ethics customarily analyzes, during each legislative session, resolutions and bills that pertain to the Code of Governmental Ethics, the Campaign Finance Disclosure Act, and the Lobbyist Disclosure Act and determines whether to support, oppose, or adopt no position on each such resolution and bill.

The Board of Ethics and its principal staff members are available to provide their analysis and reasons for the positions adopted. In the 2011 Regular Session of the Louisiana Legislature, several bills pertaining to the state's Code of Ethics, Campaign Finance Act, and Lobbyist Disclosure Acts were introduced.

## **HCR 49 Ligi CAMPAIGN FINANCE**

Resolution expressing the intent of the legislature regarding R.S. 18:1505.2(H) that a natural person and a wholly owned juridical person are separate "persons" under the provisions of the Campaign Finance Disclosure Act and that any wholly owned Subchapter S corporation or wholly owned limited liability company may make campaign contributions in its own right, and such sums should not be aggregated with the campaign contributions of the owner of such legal entity. No Position/Engrossed *Died on House Final Passage Calendar*

## **HCR 91 Ligi ETHICS**

Requests the Board of Ethics to develop a procedure to certify persons and programs to deliver education regarding the laws within the jurisdiction of the board to public servants and other persons required to receive education regarding those laws. Support/Enrolled *Transmitted to Board of Ethics*

## **HB 103 Armes ETHICS/NEPOTISM**

Authorizes school boards in parishes having a population of fewer than 60,000 to employ a member of the immediate family of a board member or of the superintendent as a special education related services professional, subject to certain procedures and limitations; permits local school boards to employ certain family members who are "special education related services professionals." No Position/Enrolled *Act 167*

## **HB 331 Ligi LOCAL GOVERNMENT/ORDINANCES**

Authorizes certain local governmental subdivisions to adopt and enforce local codes of conduct or ethics ordinances. Prohibits any such subdivision from adopting codes or ordinances that preempt, perempt, or otherwise preclude the enforcement of the La. Code of Governmental Ethics. Oppose/Enrolled *Act 37*

**HB 442 Henderson ETHICS**

Provide relative to members of the board of commissioners of certain hospital service districts and removes an ethics exception for certain hospital service district board members. Provides an extended time within which a former board member of certain hospital service districts, or his immediate family, may not contract with the former agency. Oppose/Engrossed *Withdrawn from House files.*

**HB 453 Hines ETHICS**

Prohibits a legislator or statewide elected official from accepting food, drink, or refreshment from a lobbyist or person employing a lobbyist during any session of the legislature. *Died in House & Governmental Affairs Committee*

**HB 472 R. Jones LOBBYING**

Provides with respect to the lobbying of local government that lobbyists pay certain fees for each registration and registration renewal form filed with the Board of Ethics. Support/Enrolled *Act 190*

**HB 590 Carmody HOUSING**

Creates Louisiana Housing Corporation. Provide for the filing of certain financial disclosure statements relative to each member of the board of directors of the Louisiana Housing Corporation pursuant to R.S. 42:1124.2. Support/Original *Assigned to House Municipal & Parochial Affairs*

**HB 643 Johnson CAMPAIGN FINANCE**

Provides for special provisions applicable when the candidate is deceased and has a campaign deficit, including providing that the contribution limitation applicable to contributions for deceased candidates who have a debt is \$10,000 under certain circumstances. Opposed Original HB 558/Enrolled (No position on substitute bill) *Act 208*

**SCR 93 Chaisson ETHICS**

Requests the La. Law Institute to study and submit recommendations to clarify various ambiguities in the procedural laws relative to ethics, campaign finance disclosure, and lobbying. No formal position *Reached House Floor three days before end of session but died on House Final Passage Calendar*

**SR 156 L. Jackson SENATE**

Requires certain appointees to provide disclosure statements to the Senate and Governmental Affairs Committee before being considered for confirmation. No formal position /Enrolled

**SB 111 Nevers SCHOOLS**

Provides that the superintendent of the Recovery School District is subject to Tier 2 financial disclosure requirements as provided in the Code of Governmental Ethics. No formal position /Enrolled) *Act 333*

**SB 195 L. Jackson ETHICS**

Provides that a person with an outstanding ethics fine cannot qualify for office unless the fine has been paid in full. Support/Enrolled *Act 152*

**SB 269 Riser HOUSING**

Requires the filing of certain financial disclosure statements by each member of the board of directors and the executive director of the Louisiana Housing Corporation pursuant to R.S. 42:1124.2. Support original SB249/Enrolled (No position on substitute bill) *Act 408*