

Regular Session, 2014

SENATE BILL NO. 122

BY SENATOR MORRISH

ETHICS. Provides an exception to the Code of Governmental Ethics regarding certain contractual or other relationships by certain municipal elected officials. (8/1/14)

1 AN ACT

2 To enact R.S. 42:1123(43), relative to the Code of Governmental Ethics; to provide for an
3 exception to the prohibition of a public servant from doing business with a person
4 who has a business relationship with the agency of the public servant under certain
5 circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 42:1123(43) is hereby enacted to read as follows:

8 §1123. Exceptions

9 This Part shall not preclude:

10 * * *

11 (43) A member of a governing authority of a municipality with a
12 population of five thousand or less, according to the latest decennial census, or
13 a legal entity in which the member exercises control or owns an interest in
14 excess of twenty-five percent from performing bona fide compensated services
15 for any person who has or is seeking to obtain a contractual or other business
16 or financial relationship with the municipality subject to the following
17 requirements:

1 **(a) The governing authority member recuses himself on all matters**
2 **involving the municipality and the person.**

3 **(b) The terms and conditions of the services performed by the governing**
4 **authority member are customary and reasonable and the compensation**
5 **received by the governing authority member is commensurate with the level of**
6 **the service provided.**

7 **(c) A member's compensation or revenue from a contractual or other**
8 **business or financial relationship with a person seeking to obtain contractual**
9 **or other business or financial relationships with the member's agency shall not**
10 **exceed ten thousand dollars per year from a person seeking to have a**
11 **contractual or other business or financial relationship. All compensation or**
12 **revenues shall be reported to the governing authority of which he is a member**
13 **at the time the member submits his personal financial disclosure statement to**
14 **the Board of Ethics.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Ashley Menou.

DIGEST

Morrish (SB 122)

Present law provides that no public servant and no legal entity in which the public servant exercises control or owns an interest in excess of 25% will receive any thing of economic value for or in consideration of services rendered, or to be rendered, to or for any person who has or is seeking to obtain a contractual or other business or financial relationship with the public servant's agency.

Present law provides that no public servant will solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.

Proposed law provides an exception to present law to allow a member of a governing authority of a municipality with a population of 5,000 or less or legal entity in which he has a controlling interest to render compensated services to a person which has entered into a transaction with the municipality.

Proposed law limits the member's compensation or revenue from a contractual or other business or financial relationship with a person seeking to obtain contractual or other business or financial relationship not to exceed \$10,000 per year per person seeking to have a contractual or business or financial relationship and requires the member's compensation or revenue to be reported annually to the governing authority of which he is a member on the same date his personal financial disclosure statement is due.

Effective August 1, 2014.

(Adds R.S. 42:1123(43))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and
Governmental Affairs to the original bill

1. Limits the member's compensation or revenue to \$10,000 per year and requires annual reporting to the governing authority of which he is a member.