

RÉSUMÉ DIGEST

ACT 301 (HB 674)

2025 Regular Session

Beaulieu

Payments Made by Nonpublic Sources

Existing 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. Existing law provides for exceptions.

New law provides an additional exception 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 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.

New law further provides as an additional exception 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.

New law further provides as an additional exception 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

Existing law (R.S. 42:1113) prohibits certain public servants from bidding on or entering into any contract with state government. Existing law provides exceptions for certain contracts.

New law further provides an exception authorizing a public servant, a member of the public servant's immediate family, or a legal entity in which the public servant has an interest to obtain basic governmental services from his agency or for entering into transactions arising from the administration or enforcement of basic governmental regulations by his agency.

New law provides an exception for renewals of contracts containing an option to extend the contract under certain circumstances.

Acceptance of Reasonable Transportation

Existing 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.

Existing law provides that "reasonable transportation" for purposes of 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. if for official legislative purposes. Requires prior approval from the presiding officer of the respective house wherein such legislative employee is employed. Prior law provided the same for legislators.

New law, as it relates to employees in the legislative branch of state government, includes transportation to any state, territory, or commonwealth of the U.S. in the definition of "reasonable transportation".

For purposes of legislators, new law 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.

Existing 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. Prior law required the legislator be conducting official business in the parish. New law removes the requirement that the legislator be conducting official business in the parish.

New law provides for the method of calculating the amount expended on a public servant's behalf for air transportation by private aircraft.

General Exceptions to the Code of Governmental Ethics

Existing 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.

New law 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.

Existing law requires such member of the legislature to file a statement with the Board of Ethics disclosing certain information.

New law provides that the 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.

Existing law (R.S. 42:1123(16)) provides that "public speech" means 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, or educational group or organization by a member of the legislature in his capacity as a legislator. Prior law applied to appearances before an eleemosynary group. New law provides 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.

Existing law authorizes the acceptance by a public servant of anything of economic value as a gift or gratuity from any person for flowers or a donation in connection with the death of an immediate family member. Prior law provided that the value of such gift or gratuity could not exceed \$100 per event. New law increases the value of the flowers or donation to \$200 per event and provides that donations be made only to a Section 501 organization.

New law authorizes acceptance by a public servant of seasonal or holiday foods and nonalcoholic beverages that commemorate a religious or state holiday not to exceed the value provided for in existing law for food, drink, and refreshments that a public servant may receive from a prohibited source.

New 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.

New law authorizes a peace officer or fireman or his immediate family member to receive any thing of economic value from certain charitable organizations as a member of a charitable class for the purpose of offsetting economic losses suffered by the peace officer or fireman or his immediate family member.

New law provides an exception to allow a member or former member of the State Mineral and Energy Board to post a bond or other security required by law or by the Dept. of Energy and Natural Resources.

Existing law (R.S. 42:1121) provides that a former member of a board or commission shall not, for a period of two years following the termination of his public service on such board or commission, contract with, be employed in any capacity by, or be appointed to any position by that board or commission.

New law provides, as an exception, that a former commissioner of the Ernest N. Morial - New Orleans Exhibition Hall Authority with at least 30 years of work experience in hospitality or hotel management serving as a commissioner as of January 1, 2025, may be employed by the authority regardless of when his public service terminated upon a finding by the board of commissioners of the authority that circumstances require such action. New law exception terminates on December 31, 2025.

Financial Disclosures

Existing law (R.S. 42:1124) provides for financial disclosures required of statewide elected officials, department secretaries, and other certain public servants (Tier 1). New law requires that Tier 1 filers disclose their mailing address, rather than residential address, and eliminates the requirement that they disclose their spouse's business address.

Existing 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 certain categories, with the highest category (Category IV) being more than \$100,000. Prior law provided as follows:

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

New law further requires Tier 1 and Tier 2 filers to file their financial statements electronically.

Existing 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. New law increases the minimum value of reportable income from \$250 to \$500.

Existing 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. New law increases the threshold amount of the contribution or loan requiring disclosure from \$1,000 to \$2,000.

Public Hearings on the Assessment of Penalties

Existing 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.

New 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.

New 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.

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

New law provides that the respondent may exercise his constitutional right to counsel and to not incriminate himself.

Duties of the Board of Ethics

Existing law (R.S. 42:1134) requires the board to provide reports and information to the governor, the legislature, and to governing authorities. New law provides that such reports shall be made semiannually and contain certain information.

Existing 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.

New law 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 for Violations

Existing law (R.S. 42:1141) provides for the Board of Ethics to consider complaints concerning a violation of the Code of Governmental Ethics.

New law requires the board to, after consideration of a complaint, determine by a two-thirds vote whether there is probable cause to believe that a respondent has committed a violation warranting an investigation based upon the totality of the known circumstances.

New law prohibits the board from using information contained in a request for an advisory opinion as a basis to institute an investigation.

New law requires the board to give a respondent notice of his right to counsel and right not to incriminate himself.

New 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.

New 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.

New 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 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.

New 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 gathered during the investigation, and any factual or legal issues relevant to the alleged violation by the person subject to the investigation.

Following an investigation, existing law (R.S. 42:1141.4) authorizes the Board of Ethics or the Ethics Adjudicatory Board to conduct hearings.

New law requires the Board of Ethics to determine, by a two-thirds vote whether to conduct a public hearing based upon specific findings prescribed by new 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.

Prior law (R.S. 42:1141.2) provided 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 to be eligible to serve on the Ethics Adjudicatory Board. New 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 to be eligible to serve on the Ethics Adjudicatory Board.

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

New law 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.

Existing 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. New law limits existing law provision to apply only for subpoenas to appear at a hearing.

Prior law provided that motions to enforce a subpoena may be filed in the district court within which the public servant is found, resides, or transacts business. New 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.

Existing 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. New law further authorizes such persons to subpoena and compel witnesses and the production of books, records, and papers.

New 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.

Prior law provided that any witness at any investigation or hearing would be entitled to a copy of his testimony promptly upon written demand when it became important and relevant in a criminal proceeding or subsequent investigation or hearing, provided that the furnishing of such copy would not prejudice the public safety or security. New 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.

Prior law (R.S. 42:1141.4(D)(2)) provided 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.

New law repeals prior law.

Definitions

Existing 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 existing law (Code of Governmental Ethics), including reasonable transportation in certain circumstances.

Effective upon signature of governor (June 11, 2025).

(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), 1113(A)(1)(c), 1115.2(C), 1121(J), 1123(48)-(50), 1134(N)(3), 1141(D)-(H), and 1141.4(B)(3); Repeals R.S. 42:1141.4(D)(2))