
DIGEST

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Hensgens

HB No. 321

Abstract: Requires a person who enters into a contract valued at \$10,000 or more with any entity of the executive branch of state government to disclose to the supervisory committee specified information regarding contributions to any statewide elected official, to any candidate for statewide elected office, or to any political committee of any statewide elected official or candidate for statewide elected office.

Proposed law requires each person who enters into a contract valued at \$10,000 or more with any entity of the executive branch of state government to disclose specified information regarding contributions, in-kind contributions, loans, or transfers of funds to any statewide elected official, to any candidate for statewide elected office, or to any political committee of any statewide elected official or candidate for statewide elected office from all of the following:

- (1) The person who entered into the contract with any entity of the executive branch of state government.
- (2) Any parent, holding, intermediary, or subsidiary corporation or company of any person included in (1) above.
- (3) Any officer, director, trustee, partner, or senior management level employee of any person included in (1) or (2) above.
- (4) Any person with an ownership interest in excess of five percent in any person included in (1) or (2) above.
- (5) The spouse or minor child of any person included in (1), (2), (3), or (4) above.

Proposed law requires the disclosure to the supervisory committee to be made for a period of two calendar years after entering into the contract and to include the name of the person who made the contribution, in-kind contribution, loan, or transfer of funds, the name of the statewide elected official, candidate, or political committee which received the contribution, in-kind contribution, loan, or transfer of funds, and date and the amount of the contribution, in-kind contribution, loan, or transfer of funds.

Proposed law provides that the first disclosure shall be filed no later than 10 business days after entering into the contract and shall include the information required by proposed law covering the date the contract was entered into and the two calendar years prior to that date. Proposed law

then requires the person who entered into the contract to make a disclosure within 10 business days of a contribution, in-kind contribution, loan, or transfer of funds by a person listed above to any statewide elected official, to any candidate for statewide elected office, or to any political committee of any statewide elected official or candidate for statewide elected office until a final disclosure is made two calendar years after entering into the contract.

Present law (Campaign Finance Disclosure Act–CFDA) provides for civil penalties for late filing, to be assessed on persons required to file reports who knowingly fail to file or timely file the report. Further authorizes the supervisory committee, after a hearing, to impose additional civil penalties up to \$10,000 on any person required to file certain election related reports who had not filed the report by the sixth day after they are due or, in the case of other reports, by the 11th day after they are due, with notice to the party who is the subject of the hearing. Further provides that any person required to file reports under the CFDA who knowingly and willfully fails to disclose, or knowingly and willfully fails to accurately disclose, any information required to be disclosed may be assessed a civil penalty for each day until such information is disclosed by amendment to the appropriate report. Defines "knowingly and willfully", as conduct which could have been avoided through the exercise of due diligence. Present law additionally provides for civil penalties for knowing and willful violation of the CFDA other than late filing and failing to accurately disclose. Present law provides criminal penalties for knowingly, willfully, and fraudulently failing to timely file, to disclose, or to disclose inaccurately of up to six months in jail or a fine of \$500, or both.

Proposed law applies the present law penalties applicable to a person, other than a candidate or political committee, required to file reports who is supporting or opposing a major office candidate to persons who violate proposed law.

Proposed law further provides that a violation of proposed law renders the violator and all related persons listed above (except the minor child) unsuitable and ineligible to enter into a contract with any entity of the executive branch of state government for a period of three years following the violation. Provides that if the finding of the violation was during the term of the contract and any amendments thereto, the contract shall be immediately terminated without liability to the state or any officer or agent thereof. Additionally provides that any subsequent violation shall render the violator and all related persons listed above (except the minor child) permanently unsuitable and ineligible to enter into a contract with any entity of the executive branch of state government.

Proposed law requires the supervisory committee to notify the division of administration of all persons who have been found in violation of proposed law and unsuitable and ineligible to contract with the executive branch of state government and requires the division to maintain a current list of all such persons in an easily accessible location on its website. Prohibits an entity of the executive branch of state government from entering into a contract with any person whose name is contained on the list maintained by the division.

Proposed law further directs the supervisory committee to work with the commissioner of administration and the division to develop the appropriate notifications to persons who are

required to make disclosures pursuant to the provisions of proposed law.

(Adds R.S. 18:1501.2)